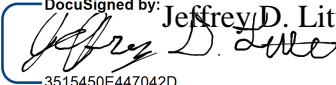


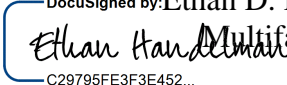


U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-0500

OFFICE OF HOUSING

MEMORANDUM FOR: Julia R. Gordon, Assistant Secretary for Housing – Federal Housing Commissioner, H

THROUGH:  Jeffrey D. Little, General Deputy Assistant Secretary for Housing, H
3515450E447042D...

FROM:  Ethan D. Handelman, Deputy Assistant Secretary for Multifamily Housing Programs, HT
C29795FE3F3E452...

SUBJECT: Environmental Assessment and Finding of No Significant Impact under the National Environmental Policy Act for the Green and Resilient Retrofit Program (GRRP) Notices of Funding Opportunity (NOFO) (FR-6700-N-91A, FR-6700-N-91B, FR-6700-N-91C) and Housing Notice

It is the finding of this office that issuance of these notices does not constitute a major federal action having any individually or cumulatively significant effect on the human environment and, therefore, does not require the preparation of an environmental impact statement.

The Green and Resilient Retrofit Program (GRRP) is authorized and funded by Section 30002 of the Inflation Reduction Act of 2022, (Public Law 117-169) (the “IRA”), titled “Improving Energy Efficiency or Water Efficiency or Climate Resilience of Affordable Housing.” GRRP is being implemented through the issuance of three Notices of Funding Opportunity (NOFO) and an accompanying Housing Notice. The program seeks to amplify recent technological advancements in utility efficiency and energy generation, bring a new focus on preparing for climate hazards by reducing residents’ and properties’ exposure to hazards, and protecting life, livability, and property when disaster strikes. GRRP is the first HUD program to simultaneously invest in energy efficiency, greenhouse gas emissions reductions, energy generation, green and healthy housing, and climate resilience strategies specifically in HUD-assisted multifamily housing. The work items permissible under GRRP are expected to have a positive environmental impact by reducing carbon emissions or water usage or increasing the property’s climate resilience. This assistance will be offered in the form of grants and loans.

The assistance will comprise three components:

1. The “Elements” NOFO provides modest funding to Owners to add proven and highly impactful climate resilience and carbon reduction measures to the construction scopes of in-progress recapitalization transactions. Since these recapitalizations will lock in technologies for many years to come, GRRP funding will make it possible for Owners to substitute greener or more resilient building components or fixtures in their existing

plans. Elements Awards are designed for properties already planning renovations so they can add green or resilient elements to existing scopes of work.

2. The “Leading Edge” NOFO provides funding for retrofit activities to achieve significant green certifications which also include climate resilience components. Provided during the early planning stages of a recapitalization effort, the Leading Edge Awards provide resources to complement an Owner’s existing financing strategy, allowing them to design the recapitalization to the highest standards of energy efficiency and climate resilience. Leading Edge Awards are designed for Owners aiming to quickly meet ambitious carbon reduction, renewable energy generation, use of building materials with lower embodied carbon, and resilience goals without requiring extensive collaboration with HUD.
3. The “Comprehensive” NOFO will provide funding to initiate recapitalization investments designed from inception around deep retrofits focused on innovative energy efficiency and greenhouse gas emissions reductions, green and healthy housing measures, renewable energy generation, use of building materials with lower embodied carbon, and climate resilience investments, using both proven and innovative measures, including ambitious green building standards or measures Comprehensive Awards prioritize properties with high need for investments in energy efficiency and climate resilience. The construction funded by a Comprehensive Award will be informed by a series of assessments that will identify the property’s specific capital needs as well as property-specific opportunities to meet GRRP objectives. Comprehensive Awards are designed for the widest range of properties, including those that have not yet developed a recapitalization plan.

GRRP applies to the rehabilitation of properties assisted by HUD under the Section 8 Project-Based Rental Assistance (PBRA), Section 202, Section 811, or Section 236 programs, as detailed in the NOFOs. The rehabilitation of HUD-assisted buildings is subject to environmental review, which will be completed by HUD under 24 CFR Part 50.

HUD’s regulations implementing the National Environmental Policy Act of 1969 (NEPA) in 24 CFR Part 50 categorically exclude the rehabilitation of multifamily buildings from environmental assessment under NEPA when certain conditions are met (see § 50.20(a)(2)(ii)). However, while many projects will be categorically excluded from review under NEPA, they remain subject to review under related environmental laws and authorities at 24 CFR § 50.4. Additionally, projects that do not meet the qualifications for exclusions and all projects that include new construction or change in land use will require an Environmental Assessment. Consequently, prior to closing of a GRRP grant or loan, all projects will be required to have environmental clearance approved by HUD pursuant to 24 CFR Part 50 as a part of the required Transaction Plan (or Closing Package, for Elements). The environmental review may result in rejection of the proposal for the demonstration or require mitigation measures.

Under the Elements component, it is possible that a Part 50 environmental review may have been completed for the recapitalization project prior to submission of an application under the Elements component. If so, HUD will determine whether the addition of climate resilience and carbon reduction measures to the project will require HUD to update the existing environmental review in accordance with 24 CFR 50.36 prior to awarding Elements assistance.

The subject NOFOs and Notice establish the process by which eligible HUD-assisted multifamily properties may apply for GRRP grants or loans to conduct rehabilitation. The subject NOFOs and notice would not alter the environmental review requirements described above.

Before actions that have a physical impact or limit the choice of alternatives may be taken, there will be an environmental review done under 24 CFR Part 50 that will assess the potential environmental impacts in a local setting before the impact or any choice limiting activities may take place. Accordingly, for the reasons stated above, this office finds that the issuance of the subject NOFOs and Notice is not a major federal action having a significant impact on the human environment.

DocuSigned by:
SARA M JENSEN
7AE64859D48742D...

Sara Jensen
Program Environmental Clearance Officer,
Office of Housing

_____ Date

DocuSigned by:
Christopher H. Hartenau
71F45E698ECD4A9...

Christopher Hartenau
Environmental Clearance Officer,
Office of General Counsel

_____ Date

DocuSigned by:
Kristin L. Fontenot
A5726FE94DDE45C...

Kristin L. Fontenot
Department Environmental Clearance Officer,
Office of Community Planning and Development

_____ Date

Approval:

DocuSigned by:
Julia Gordon
A8C192CEA14249A...

Julia R. Gordon
Assistant Secretary for Housing – Federal Housing Commissioner
Federal Housing Administration

_____ Date

Official Record Copy

U.S. Department of Housing and Urban Development
Previous edition is obsolete.

form HUD-713.1 (02/03)

Internal HUD Distribution:						
HTRP : 6222		HTR: 6130		HT : 6106		
PU : 4130		PE : 4126		P : 4100		
H : 9100		H : 9100				
Identification Lines: GRRP NOFO and Notice FONSI						
Correspondence Code	Originator HTR	Concurrence HT	Concurrence HT	Concurrence HT	Concurrence HT	Concurrence HP
Name	W. Lavy ^{DS}	T. Davis ^{DS}	T. Butler ^{DS}	T. Peasley ^{DS}	V. Morris ^{DS}	
Date	<i>WL</i>	<i>TAD</i>	<i>TB</i>	<i>TP</i>	<i>VM</i>	
Correspondence Code						
Name						
Date						

Official Record Copy

U.S. Department of Housing and Urban Development
Previous edition is obsolete.

form HUD-713.1 (02/03)