

## **ACDS Environmental Review Requirements**

To ensure ACDS has flexibility to fund as many affordable rental projects as possible with any combination of federal HOME and/or County funds, project sponsors should not undertake any “choice limiting” actions once they initiate ACDS Pre-Application or Application activities. Initiating an ACDS Pre-Application or Application includes meeting with ACDS staff and discussing the possibility of applying for ACDS funds and/or submitting an ACDS Pre-Application.

Once you have initiated pre-application and application activities with ACDS, you may not acquire a property or incur other covered project costs until a complete Environment Assessment is conducted and reviewed/signed off by ACDS.

*HUD's regulations at 24 CFR 58.22 prohibit grant recipients and their partners from committing or spending HUD or non-HUD funds on any activity that could have an adverse environmental impact or limit the choice of reasonable alternatives prior to completion of an environment review once a project has become "federal." This prohibition on "choice-limiting actions" prohibits physical activity, including acquisition, rehabilitation, and construction, as well as contracting for or committing to any of these actions.*

An Environmental Assessment is likely required for most multi-family rental projects that include new construction, demolition, reconstruction and/or the substantial rehabilitation of an existing property. It is the responsibility of the developer to obtain and finance an Environmental Assessment (EA) 58.36.

More information on what is required for a HUD Environmental Assessment can be found at [eCFR :: 24 CFR Part 58 Subpart E -- Environmental Review Process: Environmental Assessments \(EA's\)](#) .