June 8, 2018

Hello Everyone:

This is the current State of Illinois Department of Commerce and Economic Opportunity (DCEO) Community Development Block Grant (CDBG) Environmental Record Review (ERR) guidance, for the tiered ERR of CDBG Housing Rehabilitation (HR) grants. This guidance includes all United States Department of Housing and Urban Development (HUD) Office of Environment and Energy (OEE) guidance issued in 2016 during its review of two PY’15 DCEO CDBG HR ERR’s, as well as training OEE provided to DCEO CDBG ERO staff in Chicago in March 2017.

Due to e-mail attachment size restrictions, I’ll shortly send a 2nd (and possibly a 3rd) e-mail with the current versions of Supporting Documentation forms. Be sure to scroll through the list of attachments on each e-mail to find all of the attachments. I’ll then send a 3rd (or 4th) e-mail with sample completed PY’16 HR ERR’s to those CDBG HR administrators who did not prepare an ERR for a PY’16 HR grant.

There will be one Tier 1 ERR completed for each CDBG HR grant, covering an environmental review of the project’s target area, and then one Tier 2 ERR for *each* individual home proposed for rehabilitation with grant funds, covering an environmental review of the remaining bodies of Federal environmental law for that home. You will not be allowed to sign or submit a Tier 2 ERR for a home until the Tier 1 ERR for its grant has been approved by DCEO ERO.

As part of HUD’s 2015-2017 environmental monitoring of DCEO’s State CDBG program, in 2016 the HUD Illinois ERO approved DCEO’s use of the current HUD, and subsequently revised DCEO, ERR forms for use in satisfying the environmental requirements of our CDBG grants. These new HUD and DCEO forms will be in place until HUD’s computer contractor is anticipated to program HUD’s HEROS on-line ERR submission and review system to accommodate ERR submissions by State program Grantees and Subgrantees. The handling of those is different than for HUD’s direct entitlement grantees already using HEROS.

The easiest way to outline the HR ERR forms and processes is linear in order; from the 1st ERR form you’ll need to begin completing to the last. This order should be universal, especially for HR grantees, as your HUD level of ERR is the same due to the structuring of that grant component’s activities, but due to the contracted nature of our grants’ “Activity Delivery” (formerly called “Administration”), there is a chicken-and-egg scenario with the procurement of the Activity Delivery (incl. the ERR preparation) necessary right around the time the ERR preparation starts.

For those of you who have completed a CDBG HR ERR for a PY’16 grant, the list of forms will be the same as last round. For the few new to the tiered review HR ERR process, please breath in and out, and recognize that I will help guide you through forms completion.

**These are the procedures:**

1. The attached ***Determination of Level of CDBG Environmental Review*** has replaced, in part, the former DCEO ***Environmental Status Checklist*** for stating what level(s) of HUD environmental review apply to your CDBG grant-funded project and its activities. You’ll use the three “***Finding***” pages behind the ***Determination*** to ascertain which of your project’s activities (i.e., for HR grants: Activity Delivery; Rehabilitation Administration; and Rehabilitation) may be reduced to one of the lower levels of HUD environmental review (i.e., Exempt, Categorical Exclusion (Not Subject to 58.5) (i.e., CENST), or Categorical Exclusion (Subject to 58.5) (i.e., CEST). If an activity, usually types of construction, cannot be categorized at one of the lower levels, then its level of HUD environmental review will be “Environmental Assessment” (i.e., EA), and marked accordingly on the ***Determination***.

Fortunately for you and I, the programmatic component set-up for CDBG HR Grants established decades ago (i.e., activities only for rehabilitation (and not conversion or new construction) of single-unit, owner-occupied homes) allows us to categorize your HR project’s HUD level of ERR as Exempt for the activity delivery and rehabilitation administration activities, and Categorical Exclusion (Subject to 58.5) (i.e., CEST) for the rehabilitation activities. As such, you’ll check boxes “1”, “3”, “5” and “6” on the ***Finding of Exempt Activity*** sheet to cover all possible Exempt activities allowed under an HR grant, and boxes “3” and “i” on the ***Finding of Categorical Exclusion Subject to §58.5*** sheet, and pitch the unneeded (for HR) ***Finding of Categorical Exclusion Not Subject to §58.5*** sheet. On the 1st page of the ***Determination,*** you will check both the “Exempt” and “Categorically Excluded Subject to Section 58.5” boxes, and for “Exempt”, place “1”, “3”, “5” and “6” in the parentheses after it, and after “Categorically Excluded Subject to Section 58.5”, place “3” and “i” in the parentheses after it. You, as the environmental reviewer, will sign the completed ***Determination***.

1. Using the ERR determination of level of environmental review you found in the previous step, you should now start the attached ***CDBG Environmental Workflow Process (For Grantee Use)*** form, which you will sign and date as its preparer. This DCEO form will be your reference tool to guide you through each step of the CDBG Tier 1 ERR process for the Grant’s target area, and will be completed over the weeks or months it takes for the Tier 1 ERR to be documented and assembled.

Once you have started the ***Workflow Process***, you should go ahead and place the completed ***Determination*** (and its relevant “***Finding***” sheets) from step 1 above underneath the ***Workflow Process*** sheet in your ERR file, and then place the remainder of the ERR documents behind that, in the order they occur on the ***Workflow Process*** and are completed. Once the entire Tier 1 ERR is completed and ready for submission to DCEO, the ***Determination*** will be placed back on top of the stack of ERR documents.

As with any HUD ERR, not every item on the ***Workflow Process*** may be relevant or necessary for every CDBG ERR. It all depends on what HUD Level(s) of ERR are applicable for your project’s activities and what environmental conditions on the ground (or in the air) are discovered while completing the ERR process. The key ***Workflow Process*** items from the HUD monitoring perspective are the signature dates of the various HUD forms, and the dating of any required publications/postings and public comment periods. HUD’s Office of Environment and Energy (OEE) considers violations of those dates as “Timing issues”, and during their May 2015 monitoring visit, issued Findings as a result of their review of them, and “Timing Issues” can cause an ERR to be cancelled and re-started, and/or re-published or re-posted.

1. Chicken or egg time. The next task will be completion of the attached ***Environmental Review for Activity/Project that is Exempt or Categorically Excluded Not Subject to Section 58.5***. HUD has chosen to put both the formerly separate Exempt and Categorically Excluded (Not Subject to 58.5) (CENST) Certifications, and the contents of the former 58.6 Compliance Documentation Checklist, onto one form to reduce paperwork. Generally for DCEO CDBG, CENST will only apply to certain Economic Development activities funded under a CDBG-ED grant or RLF project.

The focus of this ***Environmental Review*** form for an HR project will be the Exempt activities of Activity Delivery and Rehabilitation Administration. The main completion highlights of this form are that (a) for the “Description of the Proposed Project” on the 1st page, you should include only a statement such as “Activity Delivery and Rehabilitation Administration necessary to eventually undertake a single unit, owner-occupied LMI housing rehabilitation project in a target are of name of community, \_\_\_\_\_ County, Illinois”; (b) the “*Exempt Amount*” at the top of page 2 should be the total of the CDBG-funded Exempt activities of your grant; the “*Estimated Total HUD Funded Amount*” should be that same amount of Exempt activity CDBG funds, while the “*Estimated Total Project Cost (HUD and non-HUD Funds)*”, should be the total amount of CDBG and leverage-funded (if any) activities under your overall HR project, and then broken out by specific activities funded respectively by grant and leverage funds; (c) For HR projects, under “Compliance with 24 CFR 50.4 and 58.6 Laws and Authorities”, the answer to all three covered bodies of Federal environmental law is pre-marked by DCEO since (i) “No sale or acquisition of property will occur”; (ii) Illinois is not a State covered by the Coastal Barriers Resource Act (although it is covered by the Coastal Zone Management Act below), and (iii) State formula grantees of HUD (such as DCEO) are not required to monitor flood insurance maintenance for assisted properties, although such insurance may be required to be obtained before a home’s rehabilitation may be undertaken if located in an unprotected Flood Plain.

Once this ***Environmental Review*** is complete for the Grant’s Exempt activities, you will sign on page 3 as the “Preparer”, while the Grantee jurisdiction’s chief elected official will sign as the “Official Signature”. Once completed, signed and dated, Activity Delivery and Rehabilitation Administration costs may be incurred (subject to CDBG HR management’s guidance), but not drawn until the Grant Agreement is executed. You will submit a copy of this ***Environmental Review*** to me with the entire completed ERR when it is ready.

1. Now that you are ready for the HUD compliant environmental review of your Grant’s housing rehabilitation activity, and having previously determined under step 1 that the level of review is Categorically Excluded (Subject to 58.5) (i.e., CEST), the next form to begin will be the attached ***Compliance Documentation Checklist for Categorically Excluded (Subject to 58.5) or Environmental Assessment (EA)***, this time for the target-area wide Tier I Review (as outlined below), as it is the DCEO guide for determining required supporting documentation for the 16 bodies of Federal environmental law covered in the tiered review (which includes the 3 bodies under 58.6 that used to have a separate checklist). The Tier II Review (as outlined below) for each individual home to actually be rehabbed will require a separate ***Compliance***

***Documentation Checklist for Categorically Excluded (Subject to 58.5) CDBG HR Tier 2 Level Home-Specific Review***.

As with the ***CDBG Environmental Workflow Process (For Grantee Use)*** under step 2 above, the ***Compliance Documentation Checklist*** will take several weeks to months to document as each required piece of supporting documentation is sought and obtained. Supporting documentation required by the ***Compliance Documentation Checklist*** must be placed behind it in the order listed, to make the State and/or HUD’s review much easier to document. Once documented in its entirety, you will place the ***Compliance Documentation Checklist*** and its supporting documents behind the completed Tier 1 ***Environmental Review for Activity/Project that is Categorically Excluded Subject to Section 58.5*** outlined under "5" below.

**Tiered Review Strategy:**

There is no easy way to describe the complete tiered review process; however, HUD has determined that DCEO’s CDBG HR grants must receive a “tiered review” of their home rehabilitation activities environmental conditions. The Tier 1 (or “Broad-Level”) review will cover the overall project activities and the target area as a whole, for as many of the 16 bodies of Federal environmental law that can be cleared at that geographic and programmatic level. The Tier 2 level (or “project/site-specific”) review will cover the remaining bodies of Federal environmental law that may only be cleared at the individual home level after an individual property to be rehabbed is identified.

DCEO has estimated, and HUD has concurred, that 12 bodies of Federal environmental law listed on the HUD CEST form can be cleared at the Tier 1 target area-wide level of review, while 4 remaining bodies of Federal environmental law listed on the HUD CEST form may only be cleared at the Tier 2 home-specific level of review.

The 12 Tier 1 target area-wide bodies of Federal environmental law are: Airport Hazards; Coastal Barrier Resources; Flood Insurance; Clean Air; Coastal Zone Management; Endangered Species; Explosive and Flammable Hazards; Farmlands Protection; Floodplain Management; Sole Source Aquifers; Wetlands Protection; and Wild and Scenic Rivers.

The 4 Tier 2 home-specific bodies of Federal environmental law are: Contamination and Toxic Substances; Historic Preservation; Noise Abatement and Control; and Environmental Justice (which must also take into account noise levels found when documenting Noise Abatement and Control).

**Tier 1 Review**:

1. Under step 1, we determined that the HUD level of environmental review for your project’s home rehabilitation activity is CEST. The HUD environmental review form you will use is the attached ***Environmental Review for Activity/Project that is Categorically Excluded Subject to Section 58.5***, which has been edited for Tier 1 HR ERR’s by pre-filling some of the “formal compliance steps or mitigations” and “Compliance Determinations” for some of the 16 bodies of Federal environmental law, to allow for some HUD-approved language for bodies of law for which the rehabilitation of existing structures is exempt, and for those 4 laws to be documented at the Tier 2 level of review.

The main completion highlights of this form (for the Tier 1 level) are that (a) under “Project Name” on page 1, please include a statement, in addition to reference of housing rehabilitation in a given community, that this CEST review is a Tier I level review of an entire project target area, covering 12 of 16 bodies of Federal environmental law, and the “Project Location” on page 1 should describe the geographic boundaries of the target area, and include a set of GPS coordinates from within the target area; (b) the page 1 “Description of the Proposed Project” should list any and all possible rehabilitation activities (e.g., HVAC, roofing, water heater, etc.) that may be eligible under your grant project for the homes in the target area that could be selected and the potential # of homes to be rehabbed under the grant; (c) the “*Categorically Excluded Amount*” at the top of page 2 should be the total of the CDBG-funded Categorically Excluded home rehabilitation activities of your project (do not include Activity Delivery or Rehabilitation Administration costs previously cleared under the Exempt level of review); (d) the “*Estimated Total HUD Funded Amount*” should be just that same amount, while the “*Estimated Total Project Cost (HUD and non-HUD Funds)*”, must be the total amount of CDBG and leverage-funded (if any) actual home rehabilitation under your overall project, with each respective funding source then clearly specified by source and dollar amount;

(e) Under the 58.6 bodies of law on page 2, the answer to the “*Airport Runway Clear Zones and Accident Potential Zones*” should be “No” and then “No sale or acquisition of property will occur” in its Compliance Determination box, along with reference to the airport search results of the target area; (f) due to HUD regulations and Federal law, the answers to the other two 58.6 questions are pre-marked “No”, with explanations stated, because Illinois is not a State covered by the Coastal Barriers Resource Act (although it is covered by the Coastal Zone Management Act below) and State formula grantees of HUD are not required to monitor flood insurance maintenance for assisted properties, although such insurance may be required to be obtained before a rehabilitation activity can be undertaken in an unprotected Flood Plain; (g) all of the ***Environmental Review*** form, incl. all 16 of bodies of relevant Federal environmental law, must be completely documented prior to signature by you as the preparer and the Grantee’s chief elected official as the “Responsible Entity Agency Official Signature”;

(h) of the 13 bodies of Federal environmental law under Section 58.5 (as listed on pp. 3-4), (i) three (3) at the Tier 1 level (i.e., “Contamination and Toxic Substances”, “Noise Abatement and Control”, and “Environmental Justice”) are pre-marked as “Yes” for “formal compliance steps and mitigation” and entered in their respective “Compliance Determinations” boxes is a statement of “Will be documented and cleared under individual Tier II reviews for each property selected for rehabilitation”; (ii) “Historic Preservation”, is pre-marked “Yes” for “formal compliance steps and mitigation”, and its “Compliance Determinations” box contains language to the effect that the IDNR HP letter DCEO will obtain for the community will satisfy the Tier 1 requirements for the target area as a whole, and that IDNR HP Tier II clearance letters will then be obtained by the community for each home to be rehabbed, and will be provided during each home’s Tier 2 review;

(iii) per Federal law and HUD training of DCEO, four (4) bodies of law (i.e., “Endangered Species”, “Explosive and Flammable Hazards”, “Farmland Protection”, and “Floodplain Management”) are pre-marked as “No” for “formal compliance steps and mitigation”, and entered in their respective “Compliance Determinations” boxes are statements as to why the community’s Illinois CDBG single unit, owner-occupied LMI Housing Rehabilitation project is either exempt from, or has no anticipated effect on, that body of Federal environmental law; and

(iv) for the five (5) remaining bodies of Federal environmental law (i.e., “Clean Air”, “Coastal Zone Management”, “Sole Source Aquifers”, “Wetlands Protection”, and “Wild and Scenic Rivers”), the community will need to document its compliance with those laws, with the supporting documentation outlined below, and complete those five “formal compliance steps and mitigations” and “Compliance Determinations” boxes. For DCEO’s HR projects, those five “formal compliance steps and mitigation” boxes will generally be marked as “No” once the documentation has been obtained:

(I) (i) After your ***Environmental Review for Activity/Project that is Categorically Excluded Subject to Section 58.5*** is completed and documented, you will note that the 2nd “Determination” box on the last page of the CEST is pre-checked since the community’s CEST rehabilitation activity cannot convert to Exempt, due to the further mitigations, measures and conditions required to still be performed during the Tier 2 review of each property actually selected for rehabilitation; (ii) you as the Preparer, and the Grantee community’s Chief Elected Official as the “Responsible Entity Agency Official Signature” will sign the CEST ***Environmental Review*** where indicated on the last page; and (iii) then at least one day later, the Notice of Intent to Request Release of Funds (NOI/RROF), using the DCEO-provided current HUD-approved sample language for Tier 1 HR ERR’s, must be published or posted for your ERR. The sample publication language references the ERR you completed up to that point was Tier 1 of a tiered review of the entire target area (and stating its boundaries), and that the Individual Tier 2 reviews for individual homes to be rehabbed will be performed when those homes have been identified. (iv) Allow 7 full days of local public comment period if published; 10 full days if posted in at least three prominent public locations in the Grantee community. (v) At least one day after the expiration of the local public comment period, (and corresponding to the “On or about” date of the publication or posting), the Chief Elected Official may sign and date the ***HUD 7015.15*** (i.e., “***Request for Release of Funds***”) form (current version provided containing detailed Tiered Review language, please pitch previous versions), and transmit the entire completed Tier 1 ERR to the DCEO CDBG HR ERO via either a scanned in color e-mail attachment or a mailed legible color copy to begin the State’s mandated 15-day public comment period one day after the date of receipt. To clarify, the Chief Elected Official must sign and date the ***HUD 7015.15*** the day of or later than the “On or about” date, as was stated in the published or posted Notice.

**Bodies of Federal Environmental Law to Document at Tier 1 Target Area Wide Level of Review**:

The samples, guides and applicable HUD worksheets accumulated by DCEO are still not available on DCEO’s website, but are provided with the transmission e-mail(s) for these detailed HR ERR instructions. Please save them to your computer for this and future use.

Where a sample has a small inset map of Illinois or a portion of the State, please be sure to mark your project’s approximate location on that map (e.g., Illinois Wild and Scenic Rivers or Illinois Coastal Boundaries). The key point to remember is all supporting documentation required for any HUD level of ERR form must be obtained before that HUD form may be signed and dated. Most of the supporting documentation for the 16 bodies of Federal environmental law, as listed on the ***Compliance Documentation Checklist***, are literal. However, some Tier 1 level items require further emphasis to avoid omissions and do-overs:

1. For airport search results for your project’s target area, please feel free to use the airport or airfield search tool of your choosing. Several are located on-line.
2. Clean Air – Only need copies of the US EPA Non-Attainment Areas lists, and a completed HUD Air Quality Worksheet if project’s target area is located in an air quality non-attainment area.
3. Coastal Zone Management Act - We understand that none of our Illinois CDBG projects are located in Cook or Lake Counties. Simply confirm that by marking your project’s approximate location on the small Illinois inset map.
4. Endangered Species - Only requires a copy of your project county’s United States Fish and Wildlife Service (USF&WS) list of Federally Endangered and Threatened Species, as well as the blanket “No Effect” statement already pre-filled on the Tier 1 CEST form, because DCEO CDBG HR is limited to the rehabilitation of existing structures.
5. Explosive and Flammable Hazards – Already pre-filled on the Tier 1 CEST for the stated reason.
6. Farmland Preservation - Already pre-filled on the Tier 1 CEST for the stated reason.
7. Floodplain Management – The FEMA FIRMette must be in color, with the target area boundaries clearly marked (for Tier I), and transmitted to DCEO (e-mailed or mailed) in color as part of the ERR. If necessary to help map, you may also use the provided instructions for placing FEMA FIRMette results on a Google Earth map. The accompanying narrative is already pre-filled on the Tier 1 CEST for the stated reason. **Note: If an individual home is located in a prohibited Floodway (i.e., denoted on FIRMette by diagonal lines), then that home may not be rehabilitated with Illinois CDBG funds.**
8. Historic Preservation – (i) For the Tier 1 review, please provide a copy of the IDNR Historic Preservation (HP) target area clearance letter IDNR HP will generate after they process the consultation documents from this CDBG HR round of awarded grants that was provided to them a few weeks ago. That consultation was DCEO providing a copy of relevant pages from your community’s application for IDNR HP’s Federal target area review. For the eventual individual home Tier 2 reviews, you must obtain an IDNR HP release letter covering review under Section 106 of the National Historic Preservation Act for each individual home. If that letter is done as “a State review” only, you will be directed back to IDNR HP to obtain the Federal release. NOTE: Due to staff availability concerns, IDNR HP prefers to receive requests for individual home reviews only for *eligible* homes *chosen* for eventual rehabilitation, and *not all homes in a target area*. IDNR HP prefers to receive those individual home review requests in groups of 2 to 3 or more, and not as single review requests.

(ii) Tribal consultation – Please be sure to complete a HUD Section 106 Tribal Consultation Checklist. Due to the nature of our HR program being limited to rehabilitation of single-unit, owner-occupied homes, we believe “None of the above” is the most likely answer on that checklist, meaning no tribal consultation should be necessary for your CDBG HR project.

1. Sole Source Aquifers – Since your project is limited to rehabilitation of existing structures, under HUD’s guidance you won’t have to consult with US EPA Region 5 if your project is located within the Mahomet Sole Source Aquifer in Central Illinois. However, you’ll have to state that fact on the CEST’s compliance box for that body of law. In addition, all HR grants at the Tier 1 level must still mark the community’s approximate location on the US EPA Region 5 Sole Source Aquifers Map.
2. Wetlands Protection – Include a copy of USF&WS Wetlands Inventory map, with target area boundaries clearly marked.
3. Wild and Scenic Rivers – Please use the DCEO-provided Illinois Wild and Scenic Rivers Map, which *only shows* the correct *Middle Fork of the Vermilion River* near Danville, and *not any stretch of the Mississippi River*.

**Tier 2 Review**:

1. Under the Tier 1 Environmental Record Review (ERR) process outlined in item 5 above, you learned how to conduct the Categorically Excluded Subject to 58.5 (CEST) target area wide environmental review for your community’s single unit, owner-occupied LMI Housing Rehabilitation project. Completion of that Tier 1 CEST, and its approval by DCEO, along with satisfaction of all other Special Grant Conditions (SGC’s), will allow for processing and execution of the community’s Grant Agreement by DCEO, and the reporting and drawdown of its Activity Delivery and Rehabilitation Administration expenses by the community.

However, until the completion by the community, and acceptance by DCEO, of a Tier 2 CEST for an individual home proposed for rehabilitation, covering the four (4) remaining bodies of Federal environmental law not cleared at the Tier 1 target area level of review, no housing rehabilitation contract may be executed for the affected home. **Failure to perform a Tier 2 CEST for a home, and/or executing a housing rehabilitation contract prior to completion and DCEO acceptance of its Tier 2 CEST ERR, will result in disallowance of its housing rehabilitation activities and costs, and a refund by the community of any housing rehabilitation funds spent on that property.**

These are the instructions for completing Tier 2 home-specific Categorically Excluded Subject to Section 58.5 (i.e., CEST)-level ERR’s of single-unit, owner-occupied homes located in a target area that was previously cleared in a Tier 1 target area-wide CEST-level ERR. As outlined above, four (4) bodies of Federal environmental law remain to be documented and cleared at the Tier 2, home-specific CEST-level ERR. Those 4 bodies of law are: “Contamination and Toxic Substances”, home-specific “Historic Preservation”, “Noise Abatement and Control”, and “Environmental Justice”.

Each body of law cleared at the Tier 2 level of review is discussed in greater detail below, after the outline of the relevant Tier 2-specific ERR forms. Please save each form to your computer, as they are not currently available on DCEO’s website, and you will need to complete and document an entire set of each for each home proposed for rehabilitation in the target area. Once your set is completed and documented for a home, you will scan and e-mail it to the DCEO CDBG Environmental Review Officer (ERO).

**Tier 2 Home-Specific ERR Review Forms (HUD and DCEO):**

1. **CDBG Environmental Workflow Process (For Grantee Use) Type of Project: HR Tier 2 Individual Single Unit, Owner-Occupied LMI Home** – This is a DCEO created form that you will use to track the progress of each proposed home’s CEST-level ERR that (hopefully) converts to Exempt when you are finished. The DCEO CDBG ERO will use an almost identical version, marked “For DCEO Use”, to confirm what you have submitted. You will note that it is a much shorter version of the Tier 1 Workflow Process sheet you already completed during the Tier 1 target area wide review.

After gathering and reviewing all of the Tier 2 supporting documents, you should be able to truthfully check the “Yes” box for “Does this review convert to Exempt?” If not, please call the DCEO CDBG ERO to discuss. The form must be signed and dated once you’ve completed and documented the underlying Tier 2 CEST form (as discussed below) for the individual home. That is because the date of the completed and documented CEST form must be included on this form;

1. **Compliance Documentation Checklist for Categorically Excluded (Subject to 58.5) CDBG HR Tier 2 Level Home-Specific Review** – This is the checklist you will use to confirm that the required supporting documents for the individual home’s CEST form (discussed below) (i.e., a map of its location in the target area <and the target area within the community>; a project summary (i.e., usually a contractor’s estimate) of the work proposed to be performed on that home; and the documentation for the four (4) Tier 2 bodies of Federal environmental review) are attached when you submit each Tier 2 to DCEO for review. Those 4 bodies of law are highlighted in yellow to draw your attention;
2. **Determination of Level of CDBG Environmental Review For Tier 2 CDBG-HR Single Unit, Owner-Occupied Home-Specific Level Review** – This is the 2-page DCEO-created form used to show your formal determination of the NEPA-compliant level of environmental review, in this case for rehabilitation of a single-unit, owner-occupied home. The level of review pre-marked on page 1 is Categorically Excluded Subject to Section 58.5 (i.e., CEST), and the relevant boxes pre-checked on page 2 to describe the activity being environmentally reviewed are “3” and “i”. Please do not change those pre-marked fields.

The key highlights for completing the rest of the 1st page are: Part A – Fill in your Grantee’s community name and Grant #; the home owner(s) name(s) and the complete street address (or rural route address) of the home proposed for rehabilitation. You will then list the estimated total cost of that home’s proposed rehab work and then circle from among the eight (8) eligible (per CDBG HR management staff) rehab activities that are being proposed for that home (if questions of what each of those 8 cover, please contact CDBG HR management staff directly). You will then list your name, title and organization, and sign and date at the bottom of the page;

1. **Environmental Review for Activity/Project that is Categorically Excluded Subject to 58.5 Pursuant to 24 CFR 58.35(a)** (i.e., the CEST form) – This is the same HUD CEST form that you used to complete the Tier 1 CEST ERR of the entire target area, only edited and partially pre-filled to reflect its documentation of the 4 remaining bodies of Federal environmental review law for the individual home being environmentally reviewed at Tier 2.

The key highlights for completing the rest of the Tier 2 CEST are: 1st page: Project Name – the Grantee community’s name and then “Housing Rehabilitation”; Responsible Entity is the community’s name; Grant Recipient – leave blank; state the Grant #, and then your name, title and organization as the “Preparer”; and list your name and telephone # under “Direct Comments to”; Project Location will be the complete street address or rural route address of the home proposed for rehabilitation; and once again you will circle among the eight (8) eligible rehab activities being proposed for that home (with questions on those directed to CDBG HR management staff).

2nd page highlights: **Funding Information**: list the Grant # and under “Categorically Excluded Amount”, you will only state the proposed rehab dollar amount for that home to be funded with State CDBG funds; the Estimated Total HUD Funded Amount will be the same dollar amount; and the Estimated Total Project Cost (HUD and non-HUD funds) will be the total dollar amount of all CDBG and any leverage funds being used to rehab that home, while once again stating how much (even if all) will be from Illinois CDBG funds, and once again list the complete street or rural route address of that home being rehabbed.

3rd & 4th page highlights: These two pages concern the last listed 13 of the 16 bodies of Federal environmental law covered by a CEST level review and any required mitigations. Please note that nine (9) of those 13 were previously cleared at the Tier 1 target area-level review, and are pre-marked as such. Under the “Compliance Determinations” boxes for the remaining four (4) (i.e., “Contamination and Toxic Substances”; “Historic Preservation”; “Noise Abatement and Control”; and “Environmental Justice”), you must state what supporting documentation you have gathered to show compliance with that Federal law, and list any conclusions you have found (e.g., “US EPA EJScreen showed no reporters or polluters in the target area”; or the “HUD Day-Night Noise Level <DNL> Calculator was not required, because the home was not within the minimum acceptable distance from any of the 3 listed “noise generators” under Question 3 on the HUD Noise (CEST level) worksheet)”.

For each of those 4 bodies of law, if no formal “compliance steps or mitigations” are required for that body of law, then you may check the “No” box for it. If, especially under either “Contamination and Toxic Substances” or “Noise Abatement and Control”, the relevant HUD worksheet you complete concludes that mitigations are required before the work may be undertaken, then unfortunately you must mark that box as “Yes”, and under the “Mitigation Measures and Conditions” box at the bottom of the 4th page, you must state the name of the Federal compliance law under the “Law, Authority, or Factor” box and list the relevant “Mitigation Measure” (e.g., “Noise Abatement and Control” and “Will install double glazed windows and/or sound mitigating fencing on side of home facing railroad tracks within the minimum separation distance”).

5th Page highlight: If all four of those remaining bodies of Federal environmental law are able to be checked as “No” to “formal compliance steps or mitigations”, then on this last CEST page, under “Determination”, you should be able to check the 1st box and you and the community’s chief elected official sign and date, meaning that this home’s Tier 2 review converts to “Exempt” (and no separate Exemption form is required), and that you will simply turn in a copy to the DCEO CDBG ERO for review, without having to publish or post an NOI/RROF, with its attendant 7- or 10-day local public comment period and 15-day State public comment period.

However, if one or more of the 4 bodies of Tier 2-reviewed Federal environmental law are checked “Yes”, then you must check the 2nd Determination box and, at least one day after you and the community’s chief elected official sign it, you would publish or post a Tier 2 NOI/RROF, and a day after that, start the 7 or 10 day local public comment period. If there are multiple such homes in the target area that may be too close to covered noise generators or sources of contaminants and toxic substances, then you might consider doing just one NOI/RROF publication or posting listing all such affected homes and their total estimated housing rehab costs and activities (but only after each home’s Tier 2 CEST has been documented and signed). If you believe you cannot convert a home’s review from CEST to Exempt, please call the DCEO CDBG ERO ahead of time for confirmation.

**Bodies of Federal Environmental Law to Document at Tier 2 Home-Specific Level of Review**:

1. **Contamination and Toxic Substances (Single Family Properties)** – This is a HUD worksheet that, used in conjunction with US EPA EJScreen, US EPA EnviroMapper for Envirofacts, Super Fund listing, and etc., is used to show whether or not the home proposed for minor rehabilitation work has contaminants or toxic substances located on or near its property, and whether any formal mitigation is required because of it. Further information is available on HUD’s Site Contamination web site located at <https://www.hudexchange.info/programs/environmental-review/site-contamination/>.

Basically, depending on what pollution sources (think existing or closed factories) or reporters (such as municipal WWTP’s, or convenience or grocery stores leasing gas canisters) are nearby, the *best* possible answer to this worksheet would be “No” to question 1, with any explanation of such. If the answer to question 1 is “Yes”, then you need to complete the rest of the worksheet, incl. outlining any mitigations. However, per the chief HUD Region 5 environmental reviewer during HUD ERR training in 2013, since the property to be rehabbed is single unit and owner-occupied, if there is a close-by polluter or reporter, the home owner could complete a notarized Affidavit stating that they acknowledge the specific nearby risk, but still want the specified minor rehabilitation work performed to their house. It is not available for non-owner-occupied properties;

1. **Historic Preservation**: For each Tier 2 home-specific CEST level ERR, you must obtain a home-specific clearance letter from IDNR-HP that includes a statement of “evidence of compliance with section 106 of the National Historic Preservation Act of 1966, as amended.” So, when consulting with IDNR-HP, please make sure to list the funding source as “Federal” from a State agency (i.e., DCEO). If the IDNR-HP clearance letter only references clearance under a State statute, it will be rejected by DCEO. In your Tier 2, for “Historic Preservation”, you must include a copy of that home-specific IDNR-HP letter, and a copy of the tribal consultation checklist you previously completed for Tier 1, that has the “None of the above apply” box checked.
2. **Noise Abatement and Control** – You will use the HUD Noise (CEST Level Reviews) worksheet to document each home’s Tier 2 CEST. Please refer to HUD’s Noise Abatement and Control site located at <https://www.hudexchange.info/programs/environmental-review/noise-abatement-and-control/> when completing the worksheet, which includes a link under “Related Resources” near the bottom of the page for HUD’s [Day/Night Noise Level Electronic Assessment Tool (aka: the DNL Calculator)](https://www.hudexchange.info/programs/environmental-review/daynight-noise-level-electronic-assessment-tool/). Unlike CDBG Public Infrastructure projects, which require construction during daylight hours only, the goal is that a home to be rehabbed with CDBG funds has a Day/Night Noise Level (meaning from the surrounding sources of major roads, railroads, and/or airports within the stated threshold distances) of 65 decibels or less. *You don’t calculate the estimated noise generated during construction of the rehabilitation work.*

Under question 1, you will always check the “Rehabilitation of an existing residential property” box and continue to question 2. Before answering question 2, you must look at the three “potential noise generators” listed under question 3.

If the home’s location is within the minimal listed distance of any of those three (i.e., major road, a railroad, or an airport), then under question 2, DCEO CDBG ERO strongly suggests answering “Yes” to “standardized noise attenuation measures”, and then checking the “Improved building envelope components” box. That way you will be able to just include standard noise reduction improvements (e.g., double glazed windows, new doors, insulation, sound deadening fence and/or shrubs, and etc.) into that home’s eventual rehab contract and do the work, and not have to list it as a formal Noise Control “Mitigation” that would keep your individual home Tier 2 CEST from converting to Exempt.

I’ve gone into more detail on this topic, because the DNL noise level can vary widely among homes within a target area, or between different local target areas if administering more than one community’s CDBG Housing Rehabilitation grant in a given funding round. One PY’15 HR administrator had questions about the noise calculations for one home in a target area that appeared to be 40 feet from one major main line freight and Amtrak railroad, and a couple of hundred feet from a different main line freight railroad. In that case, standard sound attenuation measures would be highly likely for that home and others in the target area, so if it can be done without having to do a time-delaying NOI/RROF publication or posting and its local and State public comment periods, that would be better, and the homeowner will still get a home that is not only better sound-proofed, but will most likely be more energy efficient.

1. **Environmental Justice** – **HUD mandates that Environmental Justice be documented last**, just prior to you and the local chief elected official signing and dating the Tier 2 Home-specific level CEST. Their reasoning is until all other Federally-required environmental documentation (especially for Noise Abatement and Control) has been obtained and evaluated, the community cannot adequately determine if the project creates adverse environmental impacts upon a low-income or minority community. Yes, DCEO’s single unit, owner-occupied LMI housing rehabilitation component is designed to *avoid* adverse environmental impacts to any person, but we must follow HUD’s environmental documentation guidelines.

To document Environmental Justice, you will review the specific home’s location on the US EPA EJScreen database system (<https://ejscreen.epa.gov/mapper/index.html>), and print and attach the search results. On the home’s Tier 2 CEST, under “Environmental Justice”, you will also reference the Noise DNL calculated decibel level and any required Noise mitigations, as listed previously under “Noise Abatement and Control”.