

CDBG-DR Policy Bulletin 2026-01

Environmental Review Adoption Guidance

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Disaster Recovery

Grantee Audience

| | | |
|---|--|--|
| <input checked="" type="checkbox"/> Universal Notice (2023-Present) | <input checked="" type="checkbox"/> 2016 Grantees | <input checked="" type="checkbox"/> CDBG-MIT |
| <input checked="" type="checkbox"/> Consolidated Notice (January 2023-2020) | <input checked="" type="checkbox"/> 2015 Grantees | <input checked="" type="checkbox"/> CDBG-RBD |
| <input checked="" type="checkbox"/> 2017-2019 Grantees | <input checked="" type="checkbox"/> 2011-2013 Grantees (Sandy) | <input checked="" type="checkbox"/> CDBG-NDR |

Applicability Note: This product is designed for all CDBG-DR grantees.

Change Log

| Version (Date) | Summary of Changes Made |
|------------------------|---|
| Version 1 (April 2026) | <ul style="list-style-type: none">Original publication. |
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Overview

Since the Disaster Relief Appropriations Act of 2013 (P.L. 113-2), also known as the Hurricane Sandy Supplemental Appropriation (H.R. 153), Community Development Block Grant – Disaster Recovery (CDBG-DR)¹ grantees have been allowed to adopt environmental reviews conducted by other Federal agencies when using CDBG-DR funds to supplement assistance under Sections 402, 403, 404, 406, 407, or 502 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act). This adoption process can proceed without additional review or public comment on the environmental review, approval, or permit being adopted. Additionally, HUD (or the State, if acting as HUD under 24 CFR 58.18) is authorized to immediately approve funds for a project or activity that is subject to this adoption provision or categorically excluded under the National Environmental Policy Act (NEPA).

In subsequent appropriations, Section 408(c)(4) of the Stafford Act was added to the list of eligible sections.

The Disaster Relief Supplemental Appropriations Act, 2025 (P.L. 118-158) (“the 2025 Appropriations Act”) further expands this concept, extending it to all projects where CDBG-DR funds are used to supplement any other Federal assistance, and is no longer limited to only assistance under specific sections of the Stafford Act. This provision applies not only to funds appropriated under the 2025 Appropriations Act, but also to prior and future appropriations. Therefore, all active CDBG-DR and CDBG-MIT grants may immediately apply this provision to eligible projects.

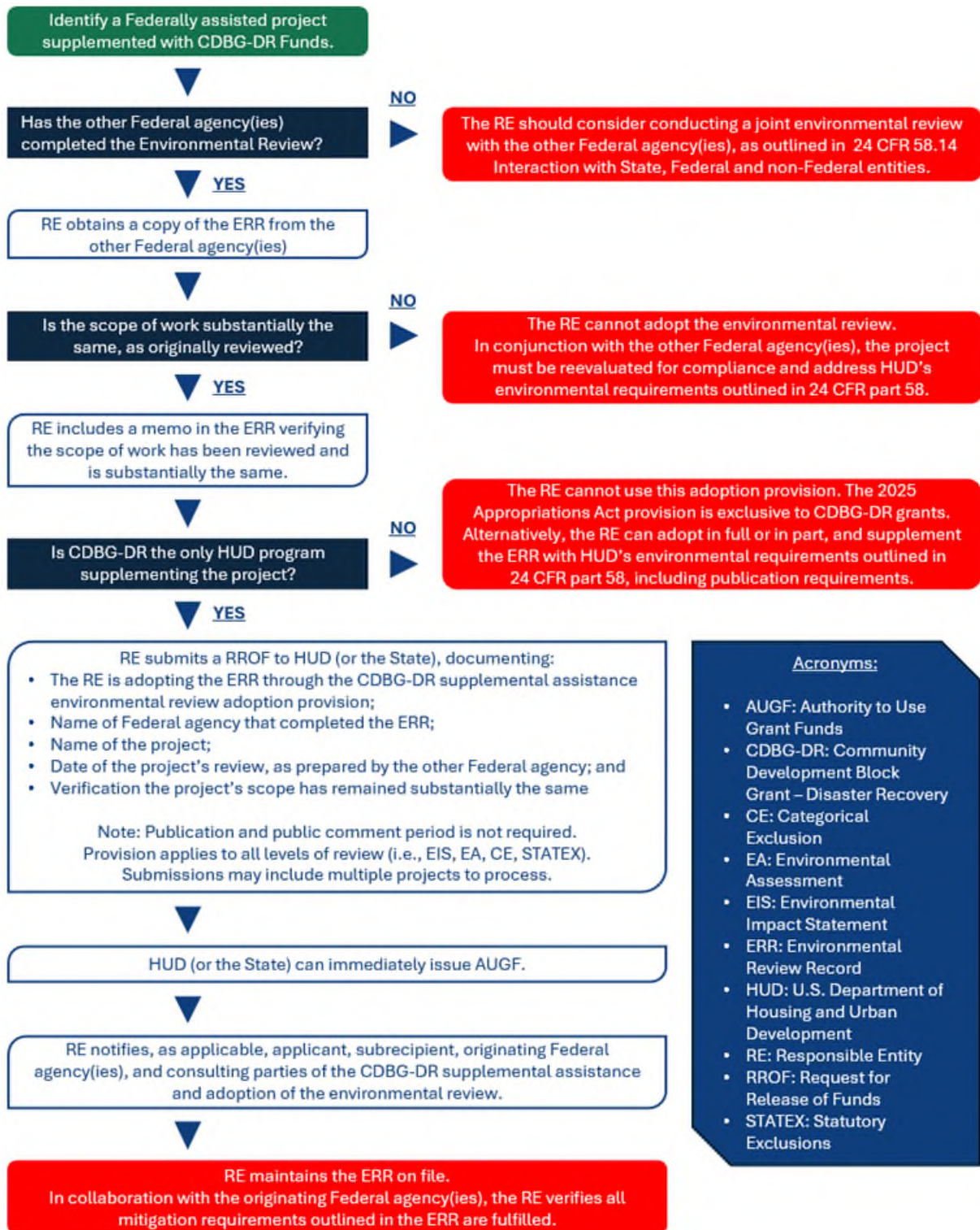
Disaster Relief Supplemental Appropriations Act, 2025 (P.L. 118-158):

Provided further, That recipients of funds made available in this, prior, or future disaster Acts that use such funds to supplement other Federal assistance may adopt, without review or public comment, any environmental review, approval, or permit performed by a Federal agency, and such adoption shall satisfy the responsibilities of the recipient with respect to such environmental review, approval or permit, so long as the actions covered by the existing environmental review, approval, or permit and the actions proposed for these supplemental funds are substantially the same:

Provided further, That the Secretary or a State may, upon receipt of a request for release of funds and certification, immediately approve the release of funds for any activity or project if the recipient has adopted an environmental review, approval or permit under the previous proviso or if the activity or project is categorically excluded from review under the National Environmental Policy Act of 1969 ([42 U.S.C. 4321 et seq.](#)), notwithstanding section 104(g)(2) of the Housing and Community Development Act of 1974 ([42 U.S.C. 5304\(g\)\(2\)](#)):

¹ The environmental review adoption provision outlined in this guidance applies to both CDBG-DR and Community Development Block Grant – Mitigation (CDBG-MIT) but does not extend to any other HUD financial resource or program.

Process Flowchart: CDBG-DR Supplemental Assistance- Environmental Review Adoption



Acronyms:

- AUGF: Authority to Use Grant Funds
- CDBG-DR: Community Development Block Grant – Disaster Recovery
- CE: Categorical Exclusion
- EA: Environmental Assessment
- EIS: Environmental Impact Statement
- ERR: Environmental Review Record
- HUD: U.S. Department of Housing and Urban Development
- RE: Responsible Entity
- RROF: Request for Release of Funds
- STATEX: Statutory Exclusions

What is Supplemental Assistance?

After the President declares a major disaster, Congress may appropriate CDBG-DR funds to HUD to support long-term recovery and rebuilding in disaster impacted areas. CDBG-DR funds supplement the Federal government's standard recovery assistance programs administered by other Federal agencies such as the Federal Emergency Management Agency (FEMA), the U.S. Small Business Administration (SBA), and the U.S. Army Corps of Engineers (USACE). However, unlike other recovery assistance programs, CDBG-DR funding is not automatically available but is instead appropriated by Congress on a case-by-case basis.

When Congress provides CDBG-DR funds, HUD allocates it directly to eligible states, local governments, territories, and tribes (known as grantees) through a formula based on the severity of disaster damage, along with specific rules established in the appropriations act. These allocations are announced in a Federal Register Notice, known as an Allocation Announcement Notice, which includes all requirements, deadlines, and processes that grantees must follow in administering the funding.

Under Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.), Section 105(a)(9), CDBG-DR funding can be used to pay the non-Federal share required in connection with a Federal grant when those activities are otherwise CDBG-DR eligible. For example, FEMA's Public Assistance (PA) Program requires that the costs of any PA-funded project be shared by the Federal government in partnership with states, tribes, and local governments or certain eligible private non-profit organizations. Typically, the federal portion of a project (Federal cost share) is no less than 75 percent of the total project costs, leaving 25 percent of the total project costs to be paid through other sources. Other times the federal portion of the project can cover 90 percent of the total costs, leaving 10 percent of the total costs to be paid through other sources. Additional information can be found in [Notice CPD-20-10: Implementation Guidance for Use of CDBG-DR Funds as Non-Federal Cost Share for FEMA's Public Assistance Program](#).

Although the language may vary among appropriations, the most common statutory order of assistance requirements prohibits use of CDBG-DR funds for activities reimbursable by or for which funds are made available by FEMA or USACE. Therefore, CDBG-DR grantees should plan and develop policies and procedures to ensure compliance with order of assistance requirements. For example, grantees can:

- Wait until the scope of work is unlikely to change before charging costs to the CDBG-DR grant or subaward.
- Pay for costs with non-Federal funds initially and request reimbursement with CDBG-DR funds once actual costs are known (consistent with allowable use of reimbursement under applicable Federal Register Notice requirements, 2 CFR part 200, and environmental review requirements).
- Hold back a portion of CDBG-DR funds planned for activities to satisfy the non-federal match until the actual costs and scope of work are finalized.

Reminder: CDBG-DR grantees should note that if a project includes additional HUD funding beyond CDBG-DR or CDBG-MIT, or involves another HUD nexus, such as Public Housing established through a Declaration of Trust (DOT), the adoption provision outlined in the 2025 Disaster Relief Supplemental Appropriations Act (P.L. 118-158) does not apply to these other HUD funding sources.

As an alternative, the Responsible Entity (RE) may adopt the environmental review in part or full. This approach allows them to incorporate applicable portions while supplementing the review as needed to meet all requirements specified in 24 CFR part 58, including publication requirements.

What is Substantially the Same?

Environmental Review Adoption requires the scope of supplemental assistance to be substantially the same as the original project scope. This means that a RE can adopt another agency's environmental review only if the proposed project being considered is essentially identical to the one already reviewed, allowing the RE to use the existing analysis without repeating the process, thus streamlining the environmental review process and avoiding unnecessary duplication of effort.

When CDBG-DR supplemental assistance is introduced and the project is no longer substantially the same as originally reviewed, the original environmental review must be re-evaluated by the CDBG-DRRE, in collaboration with the other Federal Agency(ies), and satisfy HUD's environmental requirements found in 24 CFR part 58.

Impact on Previous CDBG-DR and CDBG-MIT Grants

The 2025 Appropriations Act (P.L. 118-158) stipulates that the environmental adoption provision applies to all recipients of funds allocated under this Act, as well as prior and future disaster Acts. This provision is applicable when CDBG-DR funds are used to supplement other Federally assisted projects, provided the scope of work is substantially the same. As a result, any CDBG-DR grantee can immediately apply this provision to eligible projects within their portfolio.

Frequently Asked Questions (FAQs)

- 1) **Question:** If the other Federal agency has not started the environmental review for the project, should the CDBG-DR grantee wait until the review is finished before collaborating?
Answer: No. If the other agency has not initiated the environmental review, the RE should consider conducting a joint environmental review with the other Federal agency(ies), per 24 CFR 58.14 (Interaction with State, Federal, and non-Federal entities). The joint environmental review must address and satisfy all agencies' environmental review requirements. In such cases, the involved agencies will designate a lead agency for the review.
- 2) **Question:** If the other Federal agency has already started the environmental review for a project, should the CDBG-DR grantee wait until the review is finished before collaborating?
Answer: No. The RE should engage with the other Federal agency(ies) early to assess their progress in the environmental review process and determine the most efficient and appropriate approach.
 - If the review is just beginning, there may be an opportunity to conduct a joint environmental review, per 24 CFR 58.14 (Interaction with State, Federal, and non-Federal entities).

- If the review is nearing completion, it may be more efficient for the other Federal agency to complete the review, allowing the RE to adopt it.

Early coordination helps streamline the process and ensures compliance while avoiding unnecessary duplication of efforts.

- 3) **Question:** If the project scope has changed since the completion of the environmental review by the other Federal agency, can the environmental review still be adopted?
Answer: No. If the project is no longer substantially the same, the CDBG-DR RE must reevaluate and supplement the environmental review to meet HUD's environmental review requirements as outlined in 24 CFR part 58.
- 4) **Question:** Who is responsible for mitigation measures identified in the environmental review?
Answer: Both the Federal agency(ies) that conducted the environmental review and the RE are obligated to ensure all identified mitigation measures are fully implemented.
- 5) **Question:** Does the CDBG-DR grantee need to retain a copy of the environmental review?
Answer: Yes. The RE must retain a complete copy of the environmental review record prepared by the other Federal agency. The record should include documentation verifying that the scope of work was reviewed and determined to be substantially the same, that CDBG-DR funds were used as supplemental assistance to another Federal program, and HUD (or the State, if acting as HUD under 24 CFR 58.18) approved the adoption.
- 6) **Question:** Which grants can utilize this streamlined environmental review adoption provision?
Answer: This provision applies exclusively to CDBG-DR and CDBG-MIT grants. All CDBG-DR and CDBG-MIT grants (past, present, and future) are eligible to use this streamlined environmental review adoption provision immediately. No other HUD funding programs are eligible for this provision. However, other HUD programs may adopt an environmental review in full or in part but must supplement the review to fully comply with HUD's environmental review requirements in 24 CFR part 58, including all publication requirements.
- 7) **Question:** Is the RE required to adopt another Federal agency's environmental review when the provision applies?
Answer: No, the RE is not required to adopt another Federal agency's environmental review and may choose to conduct its own. For example, if the project scope qualifies as an Exempt activity under 24 CFR 58.34 or Categorical exclusions not subject to §58.4 (CENST) under 24 CFR 58.35(b), the RE may find it faster and more efficient to complete its own environmental review rather than go through the adoption process. The RE should evaluate each project and determine the method that is most advantageous to streamline the recovery process.
- 8) **Question:** What is a Statutory Exclusion (STATEX), and can REs adopt this level of review?
Answer: A STATEX is a unique level of environmental review used by FEMA for disaster recovery projects. It applies to specific activities that are explicitly exempt from NEPA review based on statutory provisions enacted by Congress. Additional information can be found on the [FEMA Statutory Exclusions](#) webpage.

REs can adopt STATEX reviews under this provision. However, if the project activity qualifies as Exempt activity under 24 CFR 58.34 or Categorical exclusions not subject to §58.4 (CENST) under

24 CFR 58.35(b), the RE may find it faster and more efficient to complete its own environmental review rather than go through the adoption process.

- 9) **Question:** If another federal agency's environmental review is completed at a lower level than what HUD's regulations require, can the review be adopted under this provision? For example, if FHWA completed a review as a categorical exclusion (CE), but HUD's environmental regulations classify the activity as an Environmental Assessment (EA)?

Answer: Yes. This adoption provision allows the RE to adopt an environmental review regardless of whether the level of review aligns with or differs from HUD's required level. Without this provision, the RE would need to elevate the review to meet HUD's appropriate level and supplement it to fully comply with 24 CFR Part 58.

- 10) **Question:** Under Part 58, Categorially Excluded, Subject To §58.5 (CEST) and Environmental Assessments (EAs) require grantees to submit a Request for Release of Funds (RROF) to HUD for approval. Do CDBG-DR grantees need to notify HUD when adopting other levels of reviews?

Answer: Yes. REs must notify HUD (or the state, when operating under 24 CFR 58.18), through a RROF, when adopting any level of environmental review under this provision. This includes CEs and STATEXs. Instead of submitting individual notifications for each project, REs may compile and submit a list of projects proposed for adoption under this provision. Refer to Appendix A: Sample of multiple projects environmental review adoption spreadsheet.

- 11) **Question:** When adopting under this provision, does the RE have to publish for public comment?

Answer: No. The RE does not need to publish for public comment and can immediately submit the RROF to HUD or the State (if acting as HUD under 24 CFR 58.18).

- 12) **Question:** How long is the public comment period and HUD objection period when adopting another agency's environmental review under this provision?

Answer: There is no public comment period or HUD objection period. Provided all requirements are met, HUD or the State (if acting as HUD under 24 CFR 58.18) can immediately process the RROF and issue an approved Authority to Use Grant Funds (AUGF).

- 13) **Question:** When adopting another agency's review under this provision, does the RE have to supplement the environmental review record with HUD's specific environmental review requirements listed in 24 CFR part 58?

Answer: No. The RE can adopt the other agency's environmental review without supplementing it to meet HUD-specific environmental review requirements.

- 14) **Question:** When adopting another agency's review under this provision, what needs to be included in the RROF?

Answer: The grantee must include the following in the RROF:

- The RE is adopting the ERR through the CDBG-DR supplemental assistance environmental review adoption provision;
- Name of Federal Agency that completed the ERR;
- Name of the project;
- Date of the project's review, as prepared by the other Federal Agency; and
- Verification that the project's scope has remained substantially the same.

15) **Question:** If another Federal agency has completed an environmental review for planning activities, such as research, design, engineering, or surveys, must the CDBG-DR grantee wait until the review covering the actual project is completed before adopting?

Answer: No. If CDBG-DR funds are being used to supplement planning activities, the RE can adopt the planning activities review. However, if CDBG-DR funds will be used to supplement the actual project scope and the other agency(ies) have not completed the environmental review, the RE should consider conducting a joint environmental review with the other Federal agency(ies) in accordance with 24 CFR 58.14 (Interaction with State, Federal, and non-Federal entities). If a joint environmental review is deemed appropriate, it must satisfy the environmental review requirements of all involved agencies. In such cases, the participating agencies will designate a lead agency to oversee the review.

16) **Question:** Can a Federal agency's environmental review be adopted if it was completed more than five (5) years ago?

Answer: Generally, HUD advises that a RE can rely on a completed environmental review for up to five (5) years. A re-evaluation is required if:

- There is substantial change in the nature, magnitude, or extent of the project;
- New circumstances or environmental conditions arise that may affect the project or its impacts; or
- The recipient proposes selecting an alternative not in the original findings.

However, in certain cases, adopting an older review may be appropriate and efficient. An RE should consult with HUD for case-by-case guidance.

Additional Resources

Acronyms

- AUGF: Authorization to Use Grant Funds (HUD Form 7015.16)
- CDBG-DR: Community Development Block Grant – Disaster Recovery
- CDBG-MIT: Community Development Block Grant – Mitigation
- CE: Categorically Excluded
- CENST: Categorically Excluded Not Subject To §58.5
- CEST: Categorically Excluded Subject To §58.5
- DOT: Declaration of Trust
- EA: Environmental Assessment
- EIS: Environmental Impact Statement
- ERR: Environmental Review Record
- RE: Responsible Entity
- RROF: Request for Release of Funds/Certification (HUD Form 7015.15)
- STATEX: Statutory Exclusions

References

- [2025 Disaster Relief Supplemental Appropriations Act \(P.L. 118-158\)](#)

- [Universal Notice](#): Section III.B.10.c. *Adoption of another Agency's environmental review*
- Appendix B: CDBG-DR Consolidated Notice: Section IV.D.2. *Adoption of another agency's environmental review*
- [HUD Memorandum: Adoption of FEMA and Other Federal Environmental Reviews and Processing for Hurricane Sandy Supplemental Appropriation \(H.R. 152\) Activities \(March 4, 2013\)](#)
- [Notice CPD-20-10: Implementation Guidance for Use of CDBG-DR Funds as Non-Federal Cost Share for FEMA's Public Assistance Program](#)

Appendix A: Sample of multiple projects environmental review adoption spreadsheet

| No. | Identification Number (Original Environmental Review) | Applicant Name | Project Name | Federal Agency(ies) – Original Review | Level of Environmental Review | Date Original Environmental Review Completed | Total Project Cost (\$) | CDBG-DR Supplement Assistance Amount (\$) |
|-----|---|--------------------------------------|-----------------------------------|---------------------------------------|-------------------------------|--|-------------------------|---|
| 1 | ABC-123-2025 | Washington County Housing Department | Main Street Bridge Rehab | FHWA | CE | 03/01/2025 | \$100,000 | \$25,000 |
| 2 | XYZ-123-2025 | Washington County Housing Department | City Hall Resilience Improvements | FEMA | STATEX | 02/21/2025 | \$50,000 | \$5,000 |
| 3 | MNO-789-2025 | Washington County Housing Department | Rural Broadband Improvement | USDA | CE | 02/27/2025 | \$500,000 | \$125,000 |