



**NC DEPARTMENT  
of COMMERCE**  
RURAL ECONOMIC  
DEVELOPMENT

Roy Cooper  
GOVERNOR

Machelle Sanders  
SECRETARY

Kenny Flowers  
ASSISTANT SECRETARY

BULLETIN: 24-4

SUBJECT: Environmental Reviews: Construction Bids and Choice Limiting Actions

DATE: July 24, 2024

EFFECTIVE DATE: July 24, 2024

ATTENTION: Grantees Receiving CDBG and CDBG-related program funding including CDBG Economic Development (CDBG-ED), Neighborhood Revitalization (CDBG-NR), Coronavirus (CDBG-CV), and Appalachian Regional Commission (ARC) program funding.

This policy bulletin aims to inform grantees of the U.S. Department of Housing and Urban Development (HUD) policy pertaining to construction-related bids and the environmental review process.

HUD policy prohibits bids for choice-limiting actions for construction-related activities of the environmental review process. Examples include acquisition, leasing, rehabilitation, demolition, new construction and ground disturbance work such as clearing, grading, or grubbing. HUD's choice limiting action requirements stem from the regulations of the Council on Environmental Quality (CEQ) implementing the National Environmental Policy Act of 1969 (NEPA), which state that (with certain exceptions), "until an agency issues a finding of no significant impact, as provided in § 1501.6 of this chapter, or record of decision, as provided in § 1505.2 of this chapter, no action concerning the proposal may be taken that would: (1) Have an adverse environmental impact; or (2) Limit the choice of reasonable alternatives." 40 CFR § 1506.1.

Please note that administration and planning funds can be used prior to the completion of the environmental review process provided REDD has received the original fully executed Grant Agreement and Funding Approval before the grantee incur costs. These funds can be used to cover costs to prepare the environmental review.

Should you have any questions concerning this bulletin, please contact your assigned Grant Management Representative or the CDBG Compliance Specialist.

ISSUED BY: Valerie D. Moore Fegans  
Valerie D. Moore Fegans, CDBG Director

DATE: 7-24-2024