

AVOIDING CHOICE LIMITING ACTIONS (CLA)

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AUTHORITIES

- National Environmental Policy Act
- 24 CFR Part 58

DEFINITIONS

- **Authority to Use Grant Funds (AUGF):** Official approval from HUD, allowing recipient to spend federal funds post-environmental review.
- **Environmental Review:** The process of reviewing a project and its potential environmental impacts to determine whether it complies with the National Environmental Policy Act (NEPA) and related laws and authorities.
- **Environmental Clearance:** The final approval given by HUD via an Authority to Use Grants Funds (AUGF) form. Required prior to committing/spending funds or commencing any activity at a project site.
- **Federal Nexus:** Triggered after project application is submitted to VIHFA.
- **Responsible Entity:** A unit of general local government, state agency, or HUD itself that assumes responsibility for completing environmental reviews under HUD regulations. VIHFA is the Responsible Entity.

WHAT IS A CLA VIOLATION? (24 CFR PART 58.22(A))

An activity undertaken by the grantee or their partners *after* the federal nexus but *prior* to obtaining environmental clearance, reducing or eliminating a grantee's opportunity to choose project alternatives that would avoid or minimize environmental impacts or enhance the quality of the human environment.

EXAMPLES OF A CLA

A CLA may include but are not limited to: acquisition; demolition; rehabilitation; ground disturbance; proceeding to construction without an approved application; amending an application without proper authorization and approval; leasing, including legally binding contracts to commit activities that are not conditioned on successful completion of the environmental review process.

WHO CAN COMMIT A CLA?

Any applicant who commits or expends funds or undertakes activities *after* the federal nexus (application submittal to VIHFA) but *before* environmental clearance via AUGF.

CONSEQUENCES OF COMMITTING A CLA

- Mandatory training to curtail future non-compliance.
- Corrective action plan tailored to violation.
- Disallowance of costs.
- Repayment from non-Federal funds.
- Recapture of HUD funds used to finance violating activity.
- Project and funding suspension or cancellation.
- All other remedies at law.

WHAT TO DO WHILE AWAITING AUGF?

- Submit additional project and environmental information as requested.
- Abide by agency programmatic requirements and requests.
- Advise of changes in scope or conditions.
- Maintain appropriate records.