

APPENDIX S CHOICE LIMITING ACTIONS

Once an application has been formally submitted, the project is considered “federalized” and has officially started its “environmental review period” making it subject to all of HUD’s Part 58 environmental regulations. During this period, the applicant must ensure that no activities related to the project, in any capacity, are committed per **24 CFR Part 58.22**. The environmental review period does not end until IFA sends a formal release of funds letter to the primary developer.

Any action that occurs between the submittal of an application and the receipt of the “Release of Funds” letter from IFA can be considered a choice-limiting action. A choice-limiting action is any activity related to the development process of a project that occurs during the environmental review period. Choice-limiting actions are explicitly activities that commit federal or non-federal funds to the development process or limit the choice of reasonable alternatives for a project. Committing a choice-limiting action may result in a forfeiture of all federal funding for a project. If a choice-limiting action occurs on a project site, **it can result in the forfeiture of all federal funding, including other federal grants.**

Choice-limiting actions can be committed by anyone, not just the developer or the property owner. The applicant must stay cognizant of what is occurring on the site at all times.

Examples of common choice-limiting actions are:

- Purchase or transfer of a property, even if it is from an individual owner to an LLC that they own or are a part of. Any transfer of property is choice-limiting.
- Purchase of any construction materials, dirt, lumber, tools, etc.
- Platting and subdividing property.
- Any actual construction-related activities. Digging a hole or moving dirt to a site is considered choice-limiting.
- Bringing construction equipment to a site.
- Acquiring construction permits or any other related permits. Final legal processes are considered choice-limiting.
- Signing any contracts. Subcontractor agreements or option agreements or purchase agreements are considered choice-limiting. If these actions are committed during the environmental review period, project funding will be pulled.
- Any demolition, rehabilitation, or construction, even if committed by a third-party owner with no affiliation with the project.
- Commitment of any private or federal funding to a project. Spending any kind of funds on a project (aside from planning activities) will be considered choice-limiting. A commitment of HUD funds during the environmental review period will not only result in a forfeiture of the current federal grant but will also bar a project from receiving federal funds in the future.

This list is not all-inclusive and there may be other activities that could be considered choice-limiting. If you have any questions or concerns, please contact Robert Jonet at robert.jonet@iowaeda.com.