

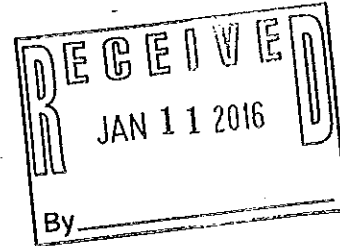


## Homes and Community Renewal

ANDREW M. CUOMO  
Governor

JAMES S. RUBIN  
Commissioner/CEO

January 8, 2016



### CERTIFIED MAIL/RETURN RECEIPT

Honorable Patrick Grattan  
Columbia County  
401 State Street  
Hudson, NY 12534

Dear Chairperson Grattan:

Re: Request for Release of Funds – Denied  
NYS CDBG Project # 267ED791-13

The Office of Community Renewal (OCR) is in receipt of the County's Environmental Review Record (ERR) and Request for Release of Funds (RROF) dated December 16, 2015 for the above referenced project. Based on review of the documentation and in consultation with the Housing Trust Fund's Environmental Analysis Unit, the Request for Release of Funds **cannot** be approved, as it has been determined that choice limiting actions related to the National Environmental Policy Act (NEPA) have been performed. The choice limiting actions include the transfer of the property to the business and construction starting at the site. These findings are substantiated by postings on the Columbia County Economic Development Corporation's website, site visits, and from complaints from residents of Columbia County.

Projects or Programs that receive funding from HUD through a State or Local entity must first complete a NEPA review pursuant to HUD's regulations at 24CFR Part 58. Section 58.22 prohibits "choice limiting actions" until the State has approved the recipient's Request for Release of Funds (RROF). HUD's website makes clear that this provision prohibits, "physical activity, including acquisition, rehabilitation, and construction, as well as contracting for or committing to any of these actions." As 58.22 points out, this prohibition applies to all funds regardless of source and to all participants in the development process.

The consequence of a choice-limiting action is that the Federal HUD funding cannot be used for the "project." Under Part 58, the "project" must be aggregated according to 24 CFR § 58.32, which mandates that the responsible entity must group together and evaluate as a single project all individual activities that are related either on the geographical or functional basis, or both, or are logical parts of a composite of contemplated actions. Accordingly, if there is a choice-limiting action, no part of the overall, aggregated, project can utilize the Federal HUD funding and the project must return the Federal HUD funds.

In compliance with HUD regulations, the OCR therefore rescinds the award made in the amount of \$516,000 to Columbia County for NYS CDBG project # 267ED791-13. The NYS CDBG funds are not eligible for expenditure by the County and will be reallocated per the NYS Action Plan.

Please do not hesitate to contact myself or Senior Community Developer, Jason Purvis, at 518-474-2057 if you have any questions. We look forward to working with Columbia County on future NYS CDBG projects.

Sincerely,



Christian M. Leo  
Vice-President  
Office of Community Renewal

CML/ks

cc: Kenneth Flood, Commissioner of Tourism, Planning and ED, Columbia County  
F. Michael Tucker, Interim Executive Director, Columbia Economic Development Corp.  
Vincent Hom, CPD Director, HUD NY Regional Field Office  
Barbara Maulsby, Community Planning & Development Rep, HUD NY Regional Field Office  
Benjamin Syden, Vice-President, Laberge Group  
Jason Purvis, Senior Community Developer, OCR