



Environmental Updates



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Environmental Updates

Hot Button Items

- HEROS
- Choice Limiting Actions
- Noise
- Wetlands (5 Step and 8 Step)
- Floodplains
- Floodways
- Underground Storage Tanks (UST)
- Above Ground Storage Tanks (AST)
- SHPO
- Tribal
- Section 106
- MOU
- MOA
- Radon
- Timing on all of these issues



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HEROS and Environmental Conditions on FIRM

- We strongly encourage the use of the HEROS system
- The environmental review must be complete and signed off in HEROS before HUD issues a FIRM.
- The environmental review and FIRM can contain certain conditions, but only for issues that have already been reviewed and approved.
- All consultation must be complete, correspondence resolved, etc. before HUD can issue a FIRM.



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HEROS and Environmental Conditions on FIRM

- HUD review appraiser will conduct initial triage/overview of lender's environmental narrative summary and HEROS partners worksheets. This initial screening review should be conducted early within the preapplication stage of processing or direct to firm processing.



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Choice Limiting Actions

What <u>Can't</u> you Do Prior to Env Review?	What <u>Can</u> you Do Prior to Env Review?
Acquisition, Demolition, Construction	Develop plans and designs
Rehabilitation or Repair	Perform work necessary to support an application for permits
Lead or Asbestos Abatement	Conduct environmental studies, including wetland delineations, soil borings, site testing, etc.
Site Clearing or Tree Removal	Perform inspections and testing of properties
Ground Disturbance	Incur Housing pre-development costs that don't have a physical impact



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NOISE

- Noise over 75dbl requires EIS
- A waiver can be obtained if certain conditions are met (No other REC's)



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Wetlands Restriction

- Applies when wetlands exist at the site
- Is in a rider to the Regulatory Agreement
- The restriction ends when the HUD-insured mortgage is terminated
- Advises the borrower that HUD must complete a review before work begins that might impact a wetland

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Floodplain and Floodway

<https://msc.fema.gov/portal/search>

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Underground Storage Tank

“Prior to closing, the Mortgagor must provide a certification stating that the facility has adopted and implemented an Underground Storage Tank Operations and Maintenance plan. The owner must ensure that all applicable personnel are trained and familiar with the plan.”

When does HUD use the condition?

- A UST exists on the property containing hazardous waste or petroleum products*; also
- the tank is not regulated by the State; and
- after acceptable UST test results and an O&M plan prepared

*Does not apply to propane USTs



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Above Ground Storage Tank Storage Tank

- ASTs with explosive or flammable material contents must comply with the Acceptable Separation Distance (ASD) standards at 24 CFR Part 51 Subpart C in accordance with the HUD guidebook: “Siting of HUD-Assisted Projects Near Hazardous Facilities” (Form HUD-1060-CPD)
- If a plan is agreed upon with HUD before the issuance of a Firm Commitment, these hazards may be mitigated during the construction period, if the work can be done on the subject property. In cases where off-site mitigation is required, the remediation must be completed prior to initial closing.



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Historic Preservation (SHPO), Tribal, MOA, MOU, Section 106

Projects with proposed ground disturbance

Archaeological Site, Human Remains, or Cultural Resources of Tribal or Historic Interest:

“If an archaeological site, human remains, or cultural resources of tribal interest are revealed during the project's construction, HUD must be notified.

HUD will contact responders to the Section 106 consultation, as applicable. If ground disturbance is to occur after closing, the closing package must contain a certification of this condition from the borrower.”



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- Standards - AARST/ANSI CC-1000 (2018) and AARST/ANSI CCAH (2013)
- Soil gas control system required – all zones
- Performance testing required – AARST/ANSI CC-1000
- Post-construction testing required
- OM+M program required
- Project oversight and certification – Radon Professional



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Timing

- Lenders can contact the respective HUD office and request an early start on environmental factors where consultation is necessary in order to avoid processing delays. Examples include the 8-step process, consultation on Endangered Species, tribal letters and SHPO correspondence.
- Otherwise HUD staff will start the environmental review when they receive an application.



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Conditions

Condition Approved	Condition Denied
<p>Historic Preservation: Signed MOA with SHPO/ Tribe requires an archaeologist be present during excavation. The archaeologist should be selected and already have a contract in place.</p>	<p>Historic Preservation: MOA will be developed or signed in the future. All consultation must be complete, correspondence with tribes resolved, etc. before HUD can complete an environmental review and issue a FIRM.</p>
<p>Toxic Hazards: site remediation will take place during construction; remediation plan approved by the state. HUD needs hard numbers on cost and an evaluation of worst case scenarios.</p>	<p>Toxic Hazards: unapproved or incomplete remediation plans. See MAP Guide Chapter 9 for more information.</p>
<p>Wetland: 8-step analysis requires Best Management Practices for soil erosion during construction. Condition must be in FIRM agreement and construction documents.</p>	<p>Wetland. 8-step conducted as condition of the FIRM. 8-step is a decision-making process and must be complete prior to HUD issuing a FIRM.</p>



Valuation and Market Study Training



Thank You!