



**AEI Consultants**

# **Environmental Issues Affecting HUD Affordable Transactions**

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## Q: Are there any differences?

- Affordable transactions face the same issues as market rate projects. BOTH types of projects
  - MUST abide by Chapter 9 of the HUD MAP Guide
  - MUST include an Environmental Report to provide information regarding compliance with the NEPA environmental factors (aka HEROS)
  - MUST comply with the requirements for Asbestos, Lead-Based Paint and Radon
  - MUST have a Phase I ESA that has been conducted within 180 days prior to the submission date to HUD

**A: NO!!! And...**

# BOTH lead to the same place: A Happy Hour near you



I fit here best.

# Challenges for Affordable Projects

- Timing issues... tick tock
  - Resolving RECs and Environmental Concerns prior to submission
    - Floodway/Floodplains
    - Site Contamination
    - Hazardous Materials
    - Noise
    - Demolition/Sub Rehab
    - Environmental Justice
  - Tax Credits Submissions/Deadlines



# Environmental Clearance Officer (ECO)

- ECO signs off on any of the following projects:
  - New Construction or Sub Rehab that requires an Environmental Assessment
  - When the noise is over 65 dB
  - Anything over 200 units
- Each Region has an ECO in addition to the Regional and Field Environmental Officers
- May result in additional comments provided after Firm Commitment is issued

## Substantial Rehab for Part 50 & Part 58

- Unit density is changed more than 20%
- The project involves changes in land use from non-residential to residential
- The estimated cost of the rehab is more than 75% of the total estimated cost of replacement
- Any new construction activities

**If any of these thresholds are met, then a full Environmental Assessment is required.**

# Substantial Rehab for LBP & Floodplains

- Rehabilitation that is estimated to cost more than **50%** of the estimated replacement cost after rehabilitation. If you hit that threshold, then:
  - The 8 Step Decision Making Process will apply to projects mapped in the 100-year floodplain or 500-year floodplain for critical actions. A Firm Commitment can't be issued with the 8 Step as a condition.
  - Abatement of Lead-Based Paint

# Asbestos

- For rehab/demolition projects constructed prior to 1978, a comprehensive building asbestos survey is required by a licensed inspector.
  - “Pre-Construction Survey” per ASTM E 2356-14
  - May be required in some localities for structures built after 1977 for the issuance of building permits
  - Scope of Work
- Rehab event should include abatement of any identified friable materials and an O&M Plan for remaining materials
- The cost of asbestos abatement may be included in the proposed mortgage loan for rehab



## Site Contamination & Environmental Justice

- Mitigation may occur as part of process; however, you must have an approved Remedial Action Plan by the State prior to issuance of a Firm Commitment
- HUD must be provided costs for worst case scenario
- Start EARLY!
- Environmental Justice review is pending based upon resolution of all REC's and Environmental Concerns.

# Recent Noise Memos

- 24 CFR 51.104(b)(2) does not apply to rehabilitation of existing properties maintaining the land use at the time of application for HUD assistance. (i.e.. An EIS is not required for unacceptable noise).
- Section 51.104 applies only to new construction and existing buildings that will be converted from their original land use to residential.
- The interior noise goal of 45 dB is applicable to all HUD-assisted properties.
- Notice CPD-16-19 – Balconies for New Construction

# Questions??? OR...

