



# Keys to a Successful RAD Conversion

Environmental Reviews and HEROS Submissions

# Purpose of Environmental Review



- An environmental review is the systematic process of reviewing a project and its potential environmental impacts to determine whether it meets Federal, state, and local environmental standards.
- For HUD, this process is required for all HUD-assisted projects.
- Every project's environmental impact must be examined, but the extent of this examination varies.
- Every project must be in compliance with NEPA and other related Federal and state environmental laws.

# Purpose of Environmental Review



- Each Federal agency is required to develop National Environmental Policy Act (NEPA) procedures. For HUD, these are located in the following regulations:
  - 24 CFR 50 - HUD Review: Environmental review requirements for HUD staff
  - 24 CFR 51 - HUD Standards: Noise, Explosive or Flammable Hazards, Runway Clear Zones
  - 24 CFR 55 - Floodplains & Wetlands
  - 24 CFR 58 - Local Government Review: Environmental review requirements for units of general local government
  - Program-Specific Requirements (i.e. MAP Guide)

# Part 50 and Part 58



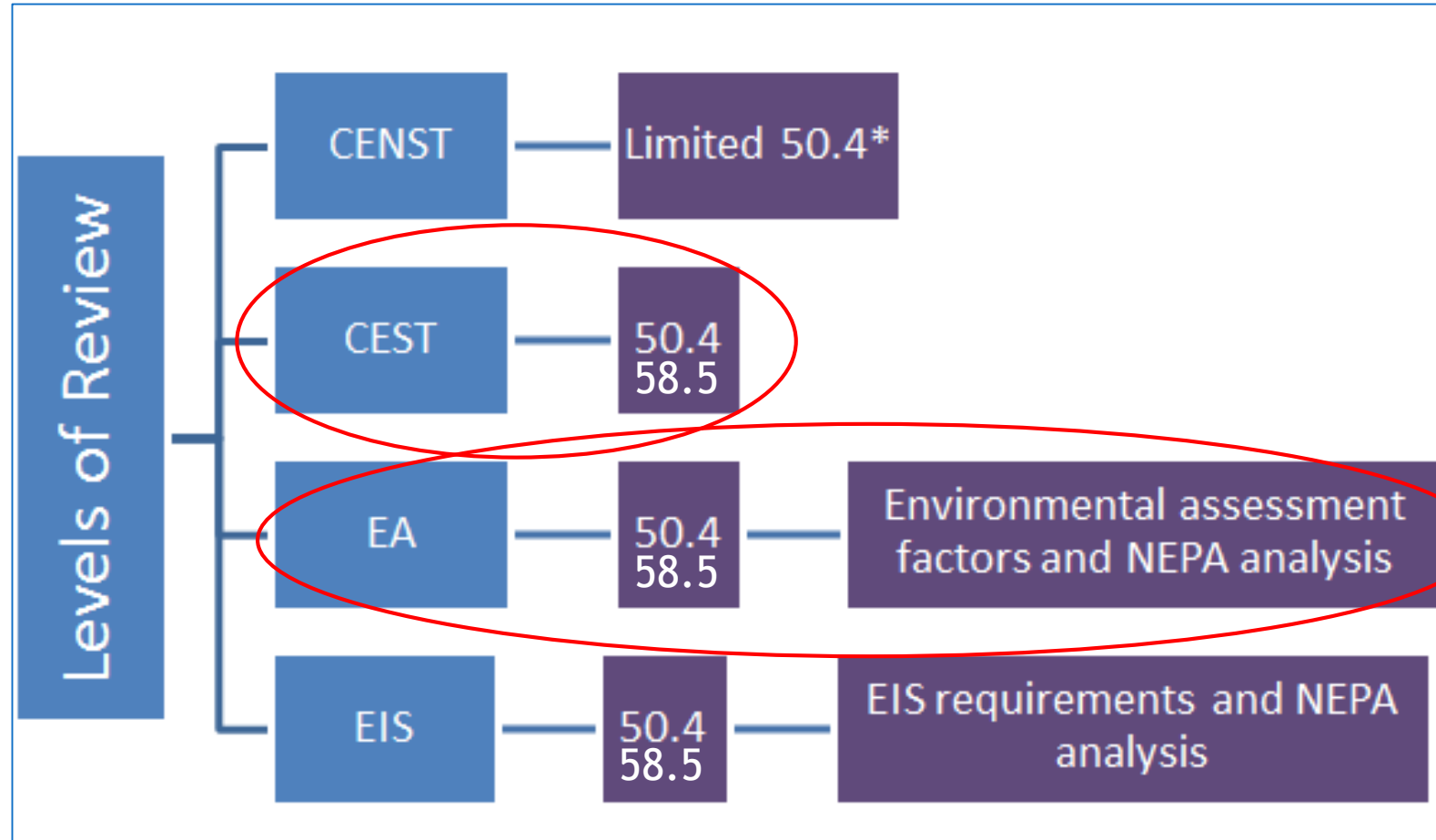
- A HUD assistance program either falls under Part 50 review requirements (HUD performs) or Part 58 review requirements (Responsible Entity performs).
- For RAD:
  - PBV conversions - Part 58
  - PBRA, FHA-insured - Part 50 (FHA performs)
  - PBRA, not FHA-insured - Part 50 (RAD TM performs)
  - 24 CFR 58.11(c) allows for HUD to conduct a Part 50 review in place of a Part 58 review, on the basis of performance, timing or compatibility of objectives

# Level of Review



- The level of review is determined by HUD/Responsible Entity, but drives to what levels of compliance the Environmental Report (provided by the PHA) must adhere.
- For RAD, the Levels of Review are:
  - Categorically Excluded from NEPA, subject to the Related Laws and Authorities (CEST)
    - All RAD projects are initially CEST
    - Density not increased >20%, land use is not changed, estimated cost of rehab is <75% of total estimated cost after replacement
  - Environmental Assessment (EA) - All other projects not Categorically Excluded
    - New construction, demolition, other major physical impacts
  - Exempt (Part 58 only)
    - Converts from CEST to Exempt when all Related Laws and Authorities require no compliance

# Level of Review



# How is Environmental Review implemented for RAD?



- The MAP Guide (Chapter 9) and the RAD Environmental Review guidance (Environmental Review Requirements for First Component RAD Conversions) together form RAD's 'Program-Specific Requirements' for environmental review.
- However, RAD guidance deviates from the MAP Guide in a few ways:
  - Radon testing not required, but strongly recommended
  - In lieu of Phase I ESA (ASTM E 1527-13), participants can provide a Transaction Screen (ASTM E 1528-14)
    - If any concerns are identified, a Phase I ESA must be provided anyway

# When should Environmental Reviews occur within the RAD timeline?



- The PHA submits an Environmental Report to HUD/Responsible Entity to assist in the environmental review process.
  - Environmental Report should contain a Phase I ESA/Transaction Screen, along with other materials to support compliance with the Related Laws and Authorities (all transactions) and Environmental Assessment Factors (if required, for EA Level of Review).
- PHAs should ensure that materials are prepared timely in conjunction with the transaction's timing requirements.
  - However, a Phase I should be no less than 1 year old upon submission (can be updated if aged).
- If you have any debt financing, work through your lender to order required third-party environmental reports to avoid having to pay for a second report later.



# When should Environmental Reviews occur within the RAD timeline?



- Part 50 and Part 58 differ in timing of submission and completion of the Environmental Review.
  - Part 58 - Up to the Responsible Entity's requirements, but Environmental Review 'completion' is evidenced by either:
    - a signed HUD Form 7015.16 or
    - a finding of Exempt activity (signed by RE).
  - These should be uploaded to the RAD Resource Desk.

# When should Environmental Reviews occur within the RAD timeline?



- Part 50 and Part 58 differ in timing of submission and completion of the Environmental Review.
  - Part 50 (FHA and non-FHA) - Environmental Report submitted as part of the Financing Plan.
  - Part 50 Environmental Review is then initiated by the respective responsible party.
- In summary, Part 58 reviews are complete prior to Financing Plan submission, while Part 50 reviews are completed after Financing Plan submission.

# Introduction to HEROS



- The HUD Environmental Review Online System (HEROS) is used to electronically capture Environmental Review Records (ERRs).
- For Part 50 reviews, HUD staff use HEROS to conduct the review.
- Access to HEROS by PHAs and partners (environmental consultants producing environmental reports for PHAs) is now available, so that PHAs/partners can directly enter information for the review.

# Introduction to HEROS



## HUD Environmental Review Online System (HEROS)

HEROS Home

Assign Review

- Initial Screen
- Project Summary
- Level of Review Determination
- Project Justification
- Related Laws and Authorities
- Environmental Assessment Factors
- Environmental Assessment Analysis
- Mitigation Measures and Conditions
- Environmental Finding
- Package
- Certifications
- Complete and Archive
- Mitigation Follow-Up
- Reevaluation

My Environmental Reviews Search Reports Admin Logout

### 2005 – Related Federal Laws and Authorities Summary (50/58)

**Directions:** Click on the Compliance Factor links in the first column in the chart below. The links automatically return to this screen to continue.

Compliance Factors	Are formal compliance steps or mitigation required?
STATUS	
<b>Airport Hazards</b> [Clear Zones and Accident Potential Zones; 24 CFR Part 51 Subpart D]	<input type="radio"/> Yes <input checked="" type="radio"/> No
<b>Coastal Barrier Resources</b> [Coastal Barrier Resources Act, as amended by the Coastal Barrier Improvement Act of 1990 [16 USC 3501]]	<input type="radio"/> Yes <input checked="" type="radio"/> No
<b>Flood Insurance</b> [Flood Disaster Protection Act of 1973 and National Flood Insurance Reform Act of 1994 [42 USC 4001-4128 and 42 USC 5154a]]	<input type="radio"/> Yes <input checked="" type="radio"/> No
STATUS	
<b>Air Quality</b> [Clean Air Act, as amended, particularly section 176(c) & (d); 40 CFR Parts 6, 51, 93]	<input type="radio"/> Yes <input checked="" type="radio"/> No
<b>Coastal Zone Management</b> [Coastal Zone Management Act, sections 307(c) & (d)]	<input type="radio"/> Yes <input checked="" type="radio"/> No
<b>Contamination and Toxic Substances - Multifamily and Nonresidential Properties</b> [24 CFR 50.3(i) & 58.5(i)(2)] (HUD Standard)	<input type="radio"/> Yes <input checked="" type="radio"/> No

# Best Practices



- If you encounter an issue while preparing your environmental report(s), do not hesitate to reach out to your Transaction Manager, PIH Field Office staff contact, and/or HUD Environmental staff.
- Do not take any actions prior to receiving environmental review approval.
  - If there are issues that need to be remedied, the review will be completed, conditioned on mitigation.
- Provide all materials to speak to all Related Laws and Authorities so that your review is completed timely.
  - HUD Exchange has Partner Worksheets to assist in your preparation.

# Resources



- HUD Exchange
  - Partner Worksheets
  - EA Factors
  - General information on Related Laws & Authorities
  - WISER Modules
- RAD Resource Desk
  - RAD Guidance on Environmental Reviews (and any updates)
- MAP Guide
  - Housing Requirements (Lead-based paint, Asbestos)

# Questions?

- Presenter Contact Information:
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