

MF Housing Environmental Overview

- Environmental Requirements
 - HUD environmental regulations (24 CFR Part 50)
 - MAP Guide, newest version went into effect May 2016
- New Developments
 - Office of Inspector General Audit Report 2015-FW-001, June 16 2015
 - HEROS

Office of Inspector General Audit

- Finding: HUD did not adequately implement environmental requirements or provide adequate oversight to ensure compliance with these requirements.
 - Inadequate monitoring
 - Inadequate training
 - Inadequate reporting
- Finding: IG audited 5 Public Housing Authorities and required **millions** of dollars repaid due to ineligible costs or costs unsupported by an environmental review.

HEROS (HUD Environmental Review Online System)



Resources

- HEROS Partner Worksheets:
<https://www.hudexchange.info/resource/5119/environmental-review-record-related-federal-laws-and-authorities-partner-worksheets/>
- HEROS Environmental Assessment Format:
<https://www.hudexchange.info/resource/5173/part-50-environmental-assessment-format/>
- MAP Guide:
<http://portal.hud.gov/hudportal/documents/huddoc?id=4430GHSGG.pdf>
- HUD environmental website:
<https://www.hudexchange.info/programs/environmental-review/>
- Online Training: “Environmental Training for FHA Programs”
https://www.youtube.com/watch?v=koGldiHziVI&list=PLDYbj6cykYZ_iPeN_vJfEQDI4c6m5MVY



<https://www.hudexchange.info/programs/environmental-review/>

[Home](#) > [Manage A Program](#) > [Environmental Review](#)

Environmental Review

Welcome to the official website for the Department of Housing and Urban Development's (HUD's) Office of Environment and Energy. The Office of Environment and Energy (OEE) manages the environmental review process for HUD.

An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. The environmental review process is required for all HUD-assisted projects to ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users. Not every project is subject to a full environmental review (i.e., every project's environmental impact must be examined, but the extent of this examination varies), but every project must be in compliance with the [National Environmental Policy Act \(NEPA\)](#), and other related Federal and state environmental laws.

Orientation to Environmental Reviews

Explore the components of an environmental review. The section contains information pertaining to both Part 50 and Part 58 reviews.

[Learn about the Environmental Review Process](#)

Related Federal Environmental Laws and Authorities

Learn about the environmental requirements covered by related federal laws and authorities and referenced in HUD's regulations at 24 CFR 50.4, 58.5, and 58.6. Each environmental topic features a compilation of resources such as trainings, guidance, and useful websites. This section contains all of the content from the [Assessment Tools for Environmental Compliance \(ATEC\)](#).

[View Resources](#)

Environmental Review News & Announcements

[Registration Open: HUD Region 9 Environmental Review Training - April 18-20, 2016](#)
Date Posted: March 07, 2016

[HUD Releases Radon Fact Sheet](#)
Date Posted: March 02, 2016

- [Join a Mailing List](#)
- [View Environmental Review FAQs](#)
- [Ask an Environmental Review Question](#)
- [Contact HUD Environmental Staff](#)

Featured Topics

- [HUD Environmental Regulations](#)
- [Environmental Assessments](#)
- [Disaster Recovery and Environment](#)
- [Environmental Review Training Webinars](#)
- [HUD Environmental Review Online System \(HEROS\)](#)

Suggested Formats and Sample Notices

- [CoC Limited Scope Review](#)
- [Exempt or Categorically Excluded, Not Subject to 58.5](#)



[Environmental Review Main](#)

Related Federal Laws and Authorities

Choose a topic below to learn more about HUD environmental review compliance with Federal related laws and authorities listed at 24 CFR 50.4, 58.5, and 58.6.

Find by Topic



[Air Quality](#)



[Airport Hazards](#)



[Coastal Barrier Resources](#)



[Coastal Zone Management](#)



[Endangered Species](#)



[Environmental Justice](#)



Partner Worksheets

General requirements	Legislation	Regulation
HUD financial assistance may not be used for most activities in units of the Coastal Barrier Resources System (CBRS). See 16 USC 3504 for limitations on federal expenditures affecting the CBRS.	Coastal Barrier Resources Act (CBRA) of 1982, as amended by the Coastal Barrier Improvement Act of 1990 (16 USC 3501)	
References		
https://www.hudexchange.info/environmental-review/coastal-barrier-resources		

Projects located in the following states must complete this form.

Alabama	Georgia	Massachusetts	New Jersey	Puerto Rico	Virgin Islands
Connecticut	Louisiana	Michigan	New York	Rhode Island	Virginia
Delaware	Maine	Minnesota	North Carolina	South Carolina	Wisconsin
Florida	Maryland	Mississippi	Ohio	Texas	

1. Is the project located in a CBRS Unit?

- No → *Based on the response, the review is in compliance with this section. Continue to the Worksheet Summary below. Provide a map showing that the site is not within a CBRS Unit.*
- Yes → *Continue to Question 2.*

Federal assistance for most activities may not be used at this location. You must either choose an alternate site or cancel the project. In very rare cases, federal monies can be spent within CBRS units for certain exempted activities (e.g., a nature trail), after consultation with the Fish and Wildlife Service (FWS) (see [16 USC 3505](#) for exceptions to limitations on expenditures).

2. Indicate your selected course of action.

HUD's Floodplain Regulations



Monroe, LA

March 2016

- 24 CFR Part 55 – Floodplain Management & Protection of Wetlands
- Implements Executive Order 11988 for Floodplain Management
- Implements Executive Order 11990 for Protection of Wetlands

Purpose of Part 55

- Doctrine of **avoidance**
 - **Avoid** adverse impacts associated with the occupancy and modification of floodplains
 - **Avoid** support of floodplain development whenever there are practicable alternatives

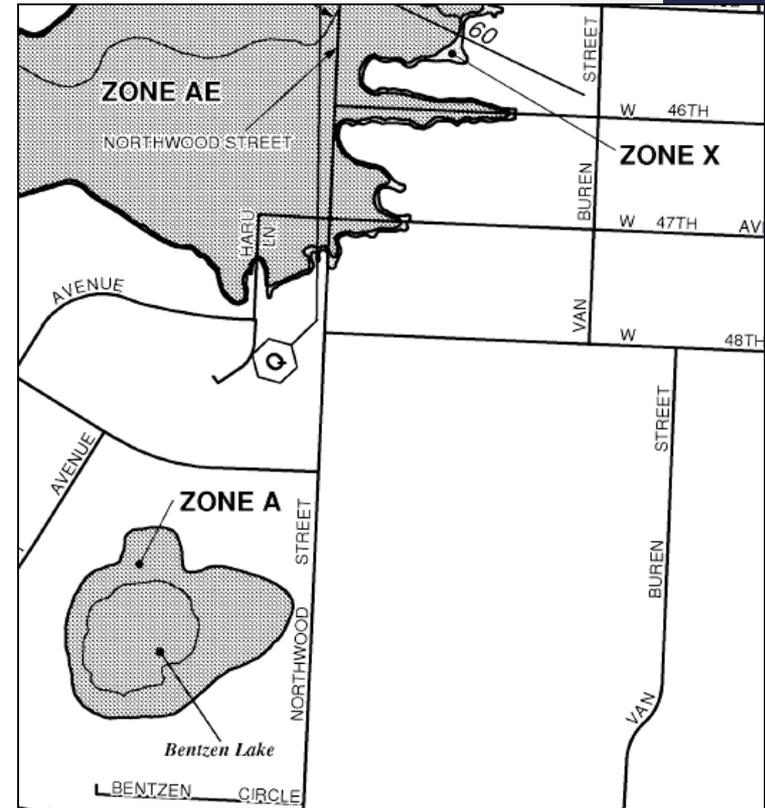


Ashland, WI
July 2016

100-Year Floodplain

100-year floodplain aka 1% annual chance floodplain (§ 55.2(b)(9))

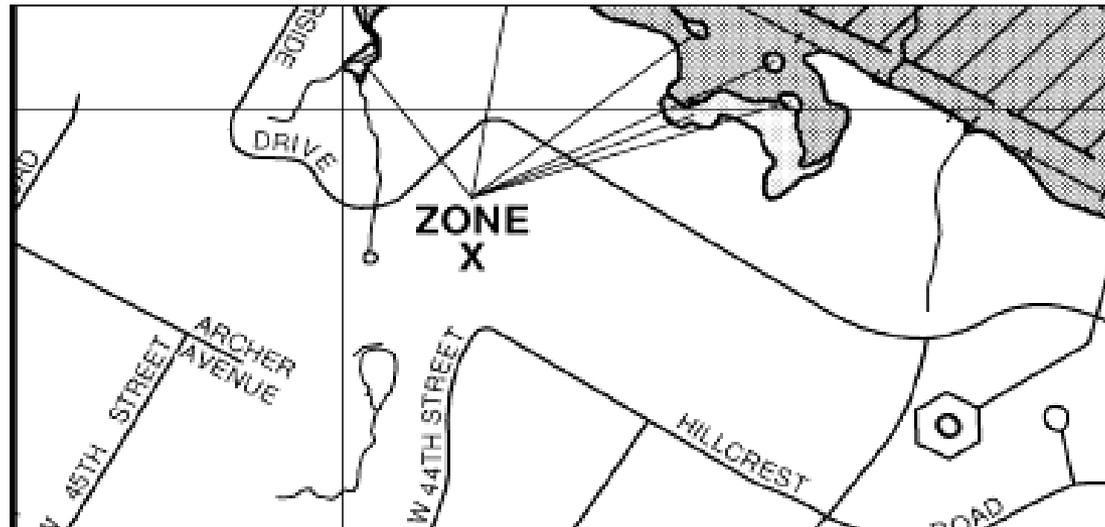
- Areas with a 1% chance of flooding each year *if* maps are functioning perfectly
 - 26% chance over a 30-year mortgage
- FEMA designated as **Zone A***
- Current FEMA maps are backward looking
 - Studies have predicted that actual risk will increase as current maps age



500-Year Floodplain

500-year floodplain aka .2% annual chance floodplain
(§ 55.2(b)(4))

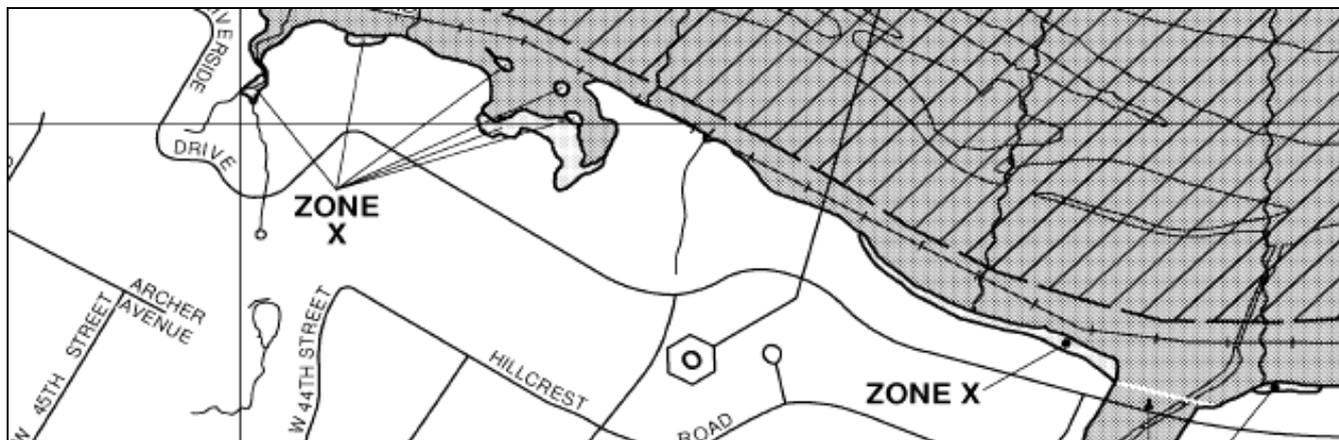
- Areas with 0.2% annual chance of flooding (6% chance over a thirty year mortgage)
- FEMA designated as **Zone B** or **Zone X (shaded)**
- Minimum floodplain of concern for “**Critical Actions**”



Floodway

Floodway (§ 55.2(b)(5))

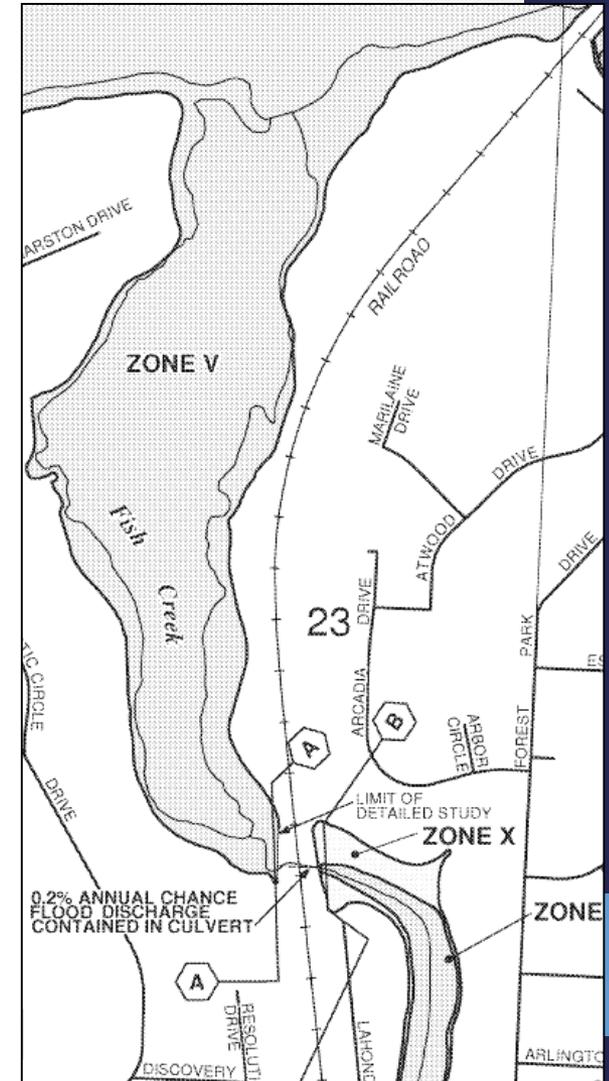
- The portion of the floodplain which is effective in carrying flow, where the flood hazard is generally the greatest, and where water depths and velocities are the highest.
- FEMA designated as **Zone AE (hatched)**.
- **STOP - No HUD assistance may be approved for use in a floodway, except:**
 - Functionally dependent uses
 - Floodplain function restoration activities
 - Activity excepted under 55.12(c)



Coastal High Hazard Area

Coastal High Hazard Area (§ 55.2(b)(1))

- The area subject to high velocity waters, including hurricane wave wash and tsunamis
- FEMA designated as **Zone V**
- **STOP** - Critical Actions and New Construction are not allowed
- Chapter 9 of the MAP Guide also prohibits projects involving rehab as well (9.5.E.2)
- Any activities must be designed for location in a Coastal High Hazard Area under §55.1(c)(3)



Critical Actions

Critical Action (§ 55.2(b)(3))

- Any activity for which even a slight chance of flooding would be too great, because such flooding might result in loss of life, injury to persons, or damage to property
- Examples:
 - Utilities, roadways providing sole egress from flood-prone areas
 - Fire stations, police stations
 - Hospitals, nursing homes
 - *Not* housing for independent living for the elderly

Critical actions **shall not** be approved in floodways or coastal high hazard areas

- 8-Step Process required in 500- and 100-year floodplains

Functionally Dependent Use

- **Functionally dependent uses** (§ 55.2(b)(6)) - a land use that must necessarily be conducted in close proximity to water
 - Dams, marinas, port facilities, water-front parks
- Permitted in floodways and coastal high hazard areas



Wrightsville Beach, NC
October 2016

Part 55 Requirements

Projects located in a floodplain must be processed under §55.20 (“The 8-Step Process”) unless an exception applies to the project type

Type of proposed action (new reviewable action or an amendment) ¹	Type of proposed action			
	Floodways	Coastal high hazard areas	Wetlands or 100-year floodplain outside coastal high hazard area and floodways	Nonwetlands area outside of the 100-year and within the 500-year floodplain
Critical Actions as defined in §55.12(b)(2)	Critical actions not allowed.	Critical actions not allowed.	Allowed if the proposed critical action is processed under §55.20. ²	Allowed if the proposed critical action is processed under §55.20. ²
Noncritical actions not excluded under §55.12(b) or (c)	Allowed only if the proposed non-critical action is a functionally dependent use and processed under §55.20. ²	Allowed only if the proposed noncritical action is processed under §55.20 ² and is (1) a functionally dependent use, (2) existing construction (including improvements), or (3) reconstruction following destruction caused by a disaster. If the action is not a functionally dependent use, the action must be designed for location in a Coastal High Hazard Area under §55.1(c)(3)	Allowed if proposed noncritical action is processed under §55.20. ²	Any noncritical action is allowed without processing under this part.

MAP Guide Highlights

- Project must comply with Part 55 if any part of the site *or integral offsite development* (e.g. ingress, egress, parking) is located within floodplain
- Unless an exception applies, HUD will not approve projects in:
 - Floodways,
 - Coastal high hazard areas, or
 - Floodplains if community does not participate in NFIP (see Chapter 9.5.E.2)
- New construction/major improvements: HUD strongly discourages projects in the 100-year floodplain
- Refinances/minor improvements: HUD discourages projects where lowest floor, life support facilities, or egress/ingress are more than 12” below base flood elevation
- HUD will consider history or evidence of flooding even if site is not in a FEMA-designated floodplain

The 8-Step Process

- **Step 1.** Determine whether the proposed action is located in 100-year floodplain (or 500-yr for critical action)
- **Step 2.** Publish “**Early Public Notice**” of the proposal to consider an action in the floodplain or wetland (15 day minimum comment period)
- **Step 3.** Evaluate practicable alternatives to locating the proposed action in a floodplain or wetland
- **Step 4.** Identify the potential impacts associated with occupancy and modification of the floodplain or wetland
- **Step 5.** Design or modify the action to minimize adverse impacts and preserve the beneficial values of the floodplains
- **Step 6.** Reevaluate whether proposed action is practicable
- **Step 7.** Publish “**Final Public Notice**” of decision to identify why there is “no practicable alternative,” and the alternatives and mitigation measures adopted (7 day minimum comment period)
- **Step 8.** Implement proposed action with mitigation measures

Exceptions to Part 55

Broad Channel Queens, NY
February 2016



- §55.12(a) → activities that are not required to complete the **full** 8-Step Process, and may instead complete the **Modified 5-Step Process**
 - Steps 2, 3, and 7 do not apply to these activities
- §55.12(b) → activities that are not required to complete the 8-Step Process
- §55.12(c) → activities that are not required to comply with Part 55

Incidental Floodplain Exception

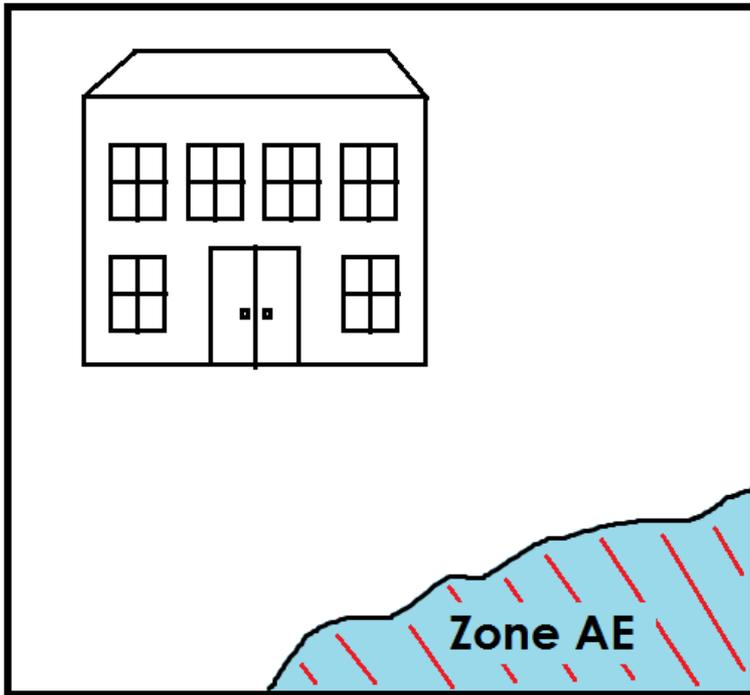
§55.12(c)(7): Part 55 does not apply to a site in which an **incidental portion** is situated in an adjacent floodplain or wetland, **but only if**:

- Proposed activities do not occupy or modify the floodplain;
- Provisions are made for site drainage that would not have an adverse effect on any wetland; **and**
- A permanent covenant or comparable restriction is placed on the property's continued use to preserve the floodplain or wetland.

Clendenin, WV
June 2016

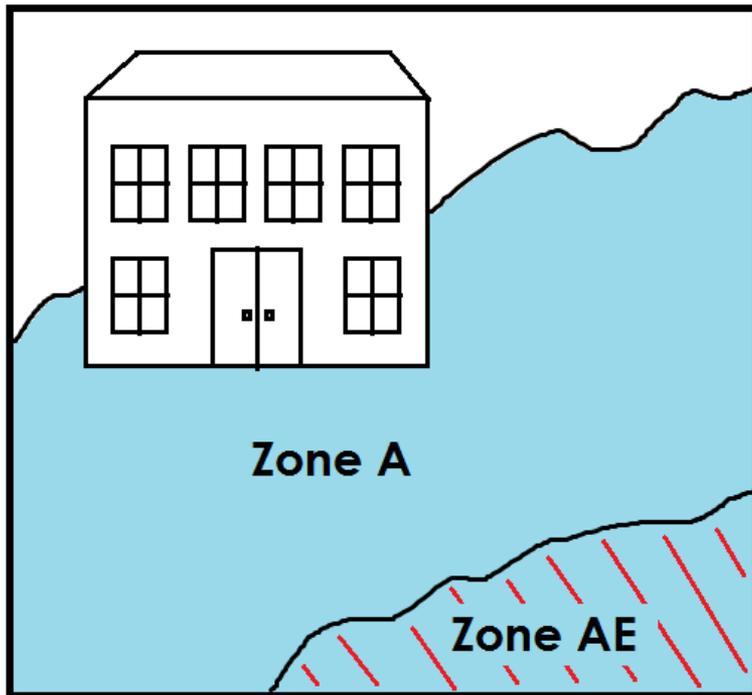


Incidental Floodplains, Cont.



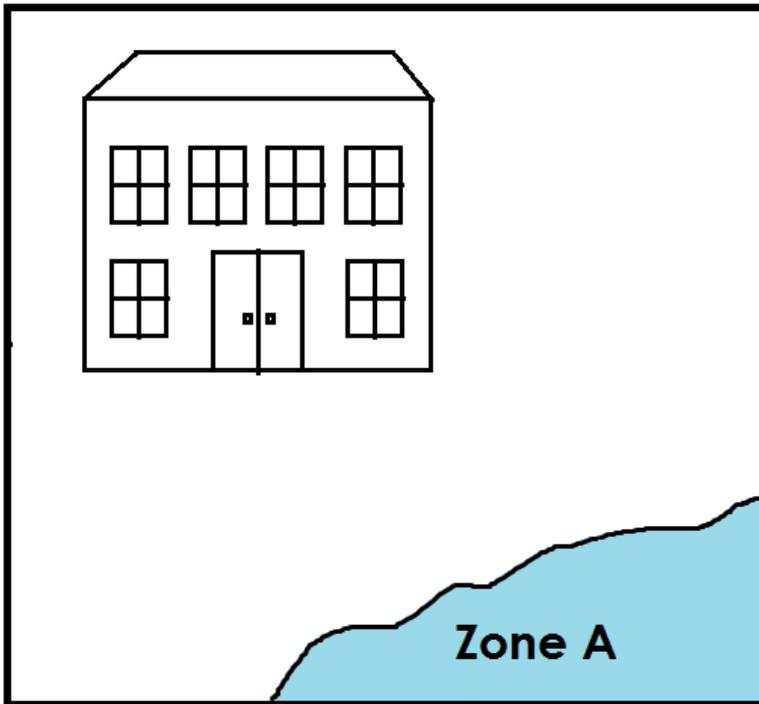
- Site contains floodway
- Floodplain is incidental
- Project may proceed IF all conditions in § 55.12(c)(7) are met

Incidental Floodplains, Cont.



- Site contains a floodway and a 100-year floodplain
- Floodplain is **NOT** incidental
- Project **must** be rejected

Incidental Floodplains, Cont.



- Site contains 100-year floodplain
- Floodplain is incidental
- Project may proceed either:
 - By meeting conditions in § 55.12(c)(7), OR
 - By completing 8-Step Process

Wetlands



Wetland Laws

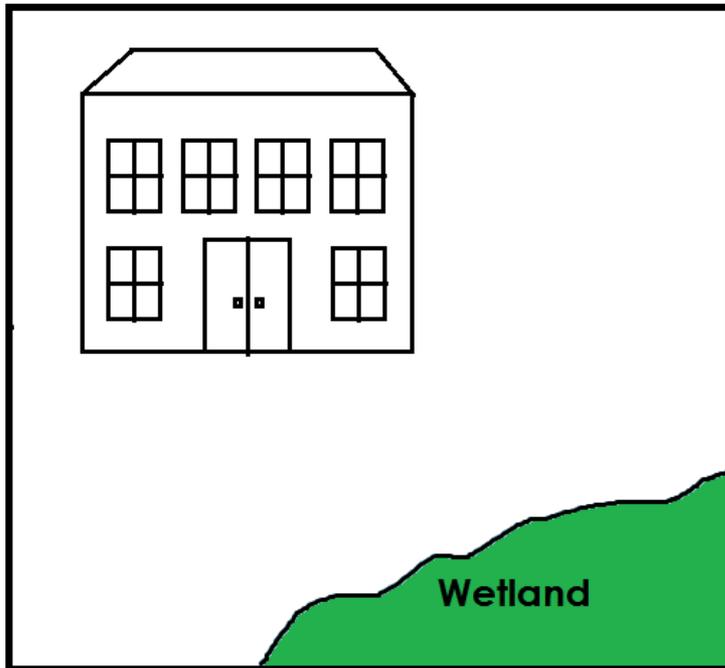
Executive Order 11990, “Protection of Wetlands,” Promulgated at 24 CFR Part 55

“...**avoid** to the extent possible the long and short term adverse impacts associated with the destruction or modification of wetlands and to **avoid** direct or indirect support of **new construction in wetlands** wherever there is a practicable alternative...”

Section 404 of the Clean Water Act

Dredging or filling wetlands (“Waters of the US”) requires a Section 404 permit from the Army Corps of Engineers

Wetlands

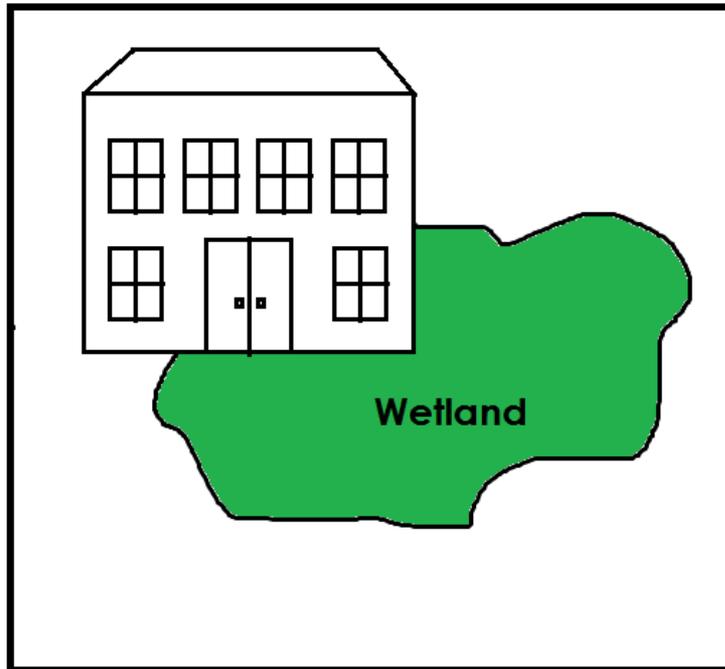


New Construction? Yes

New Construction in a wetland? No

- Project can proceed w/out an 8-step if:
 - no construction or landscaping activities in the wetland
 - appropriate provision made for site drainage that will not have an adverse effect on the wetland and
 - a permanent covenant or comparable restriction placed on property to preserve the wetland

Wetlands



New Construction? Yes

New Construction in a wetland? Yes

- Project can Proceed if:
 - Modify design or
 - HUD determines if no practicable alternative via 8-step process *

* Individual 404 permit can replace steps 1-5 of 8-step but only if no construction in floodplain

Wetlands and the MAP Guide

- Extensive data must be provided to HUD. Early consultation required.
- Compensatory Mitigation recommended for unavoidable adverse impacts to more than one acre of wetland.
 - permittee-responsible mitigation,
 - mitigation banking,
 - in-lieu fee mitigation,
 - preservation easements/protective covenants, and any form of mitigation promoted by state or Federal agencies.
- Only in rare cases will rehab, purchase and refinancing be permitted to involve wetlands impacts.

Protection of Wetlands

Wetlands within floodplains

- Modify project!
- If cannot, HUD does one 8-step analysis that considers impacts to both the floodplain and the wetlands.
- Must do full 8-steps, even with a 404 permit



Partner Engineering & Science, Inc.

**Engineering, Environmental and Energy Consulting
Commercial Real Estate Due Diligence**



“Engineers who understand your business.”

Unique Examples



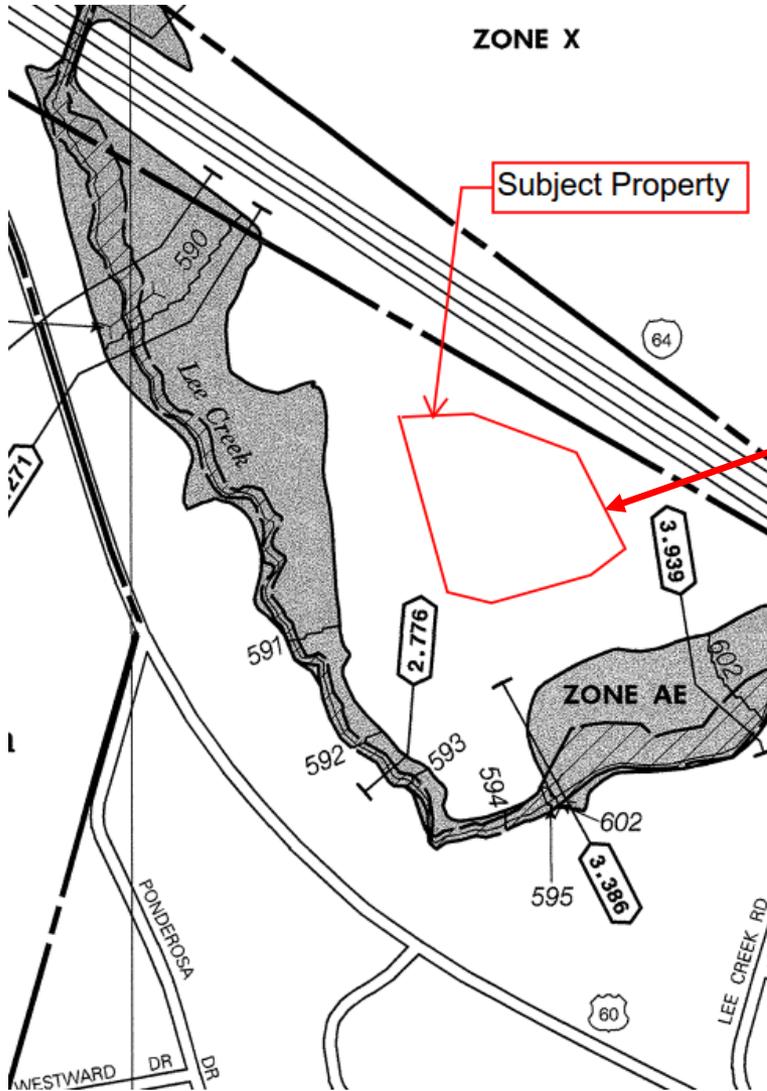
**Flood Guidelines
LEAN (232f)**

Executive Order 11988
and 24 CFR 55.20

PARTNER

Flood – Healthcare 232f

HUD rejected this site



PARTNER



QUESTION

ANSWER

?

?

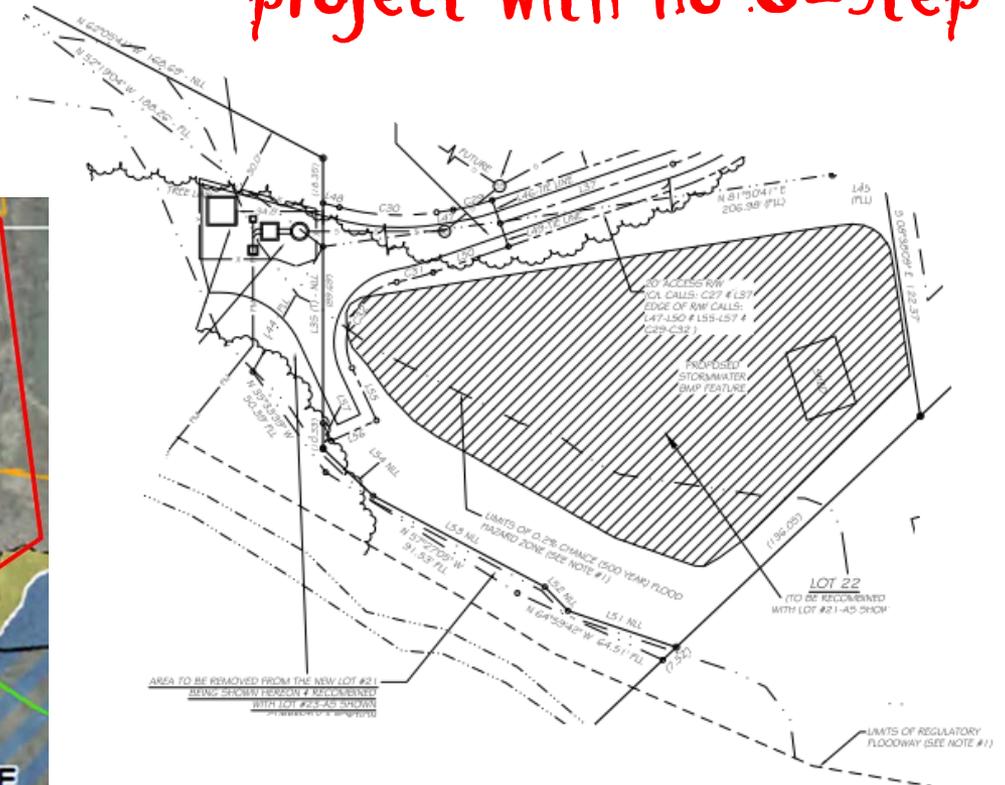


PARTNER

Flood – Multi-Family 221d4 – New Construction

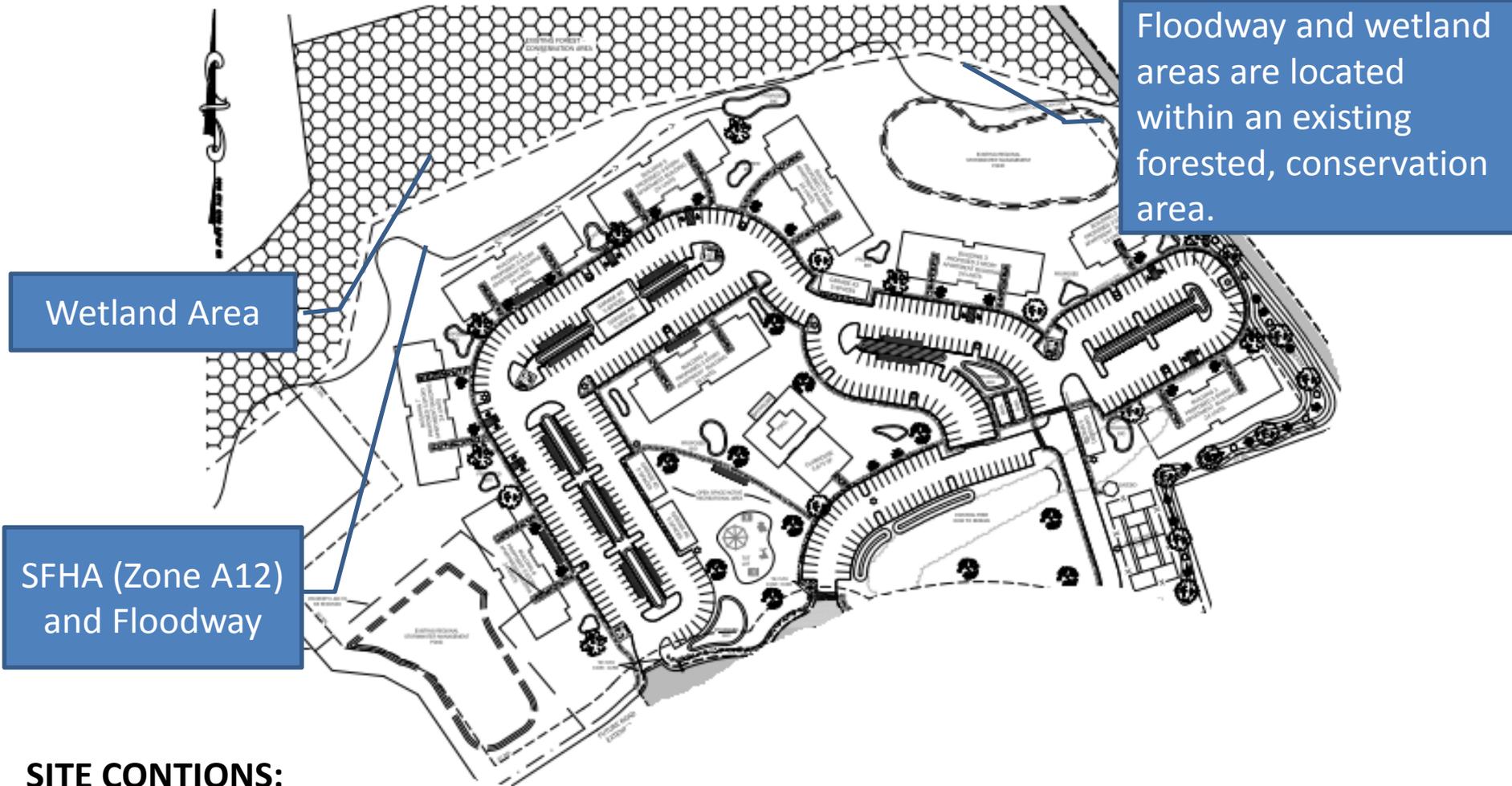


HUD approved this project with no 8-Step



PARTNER

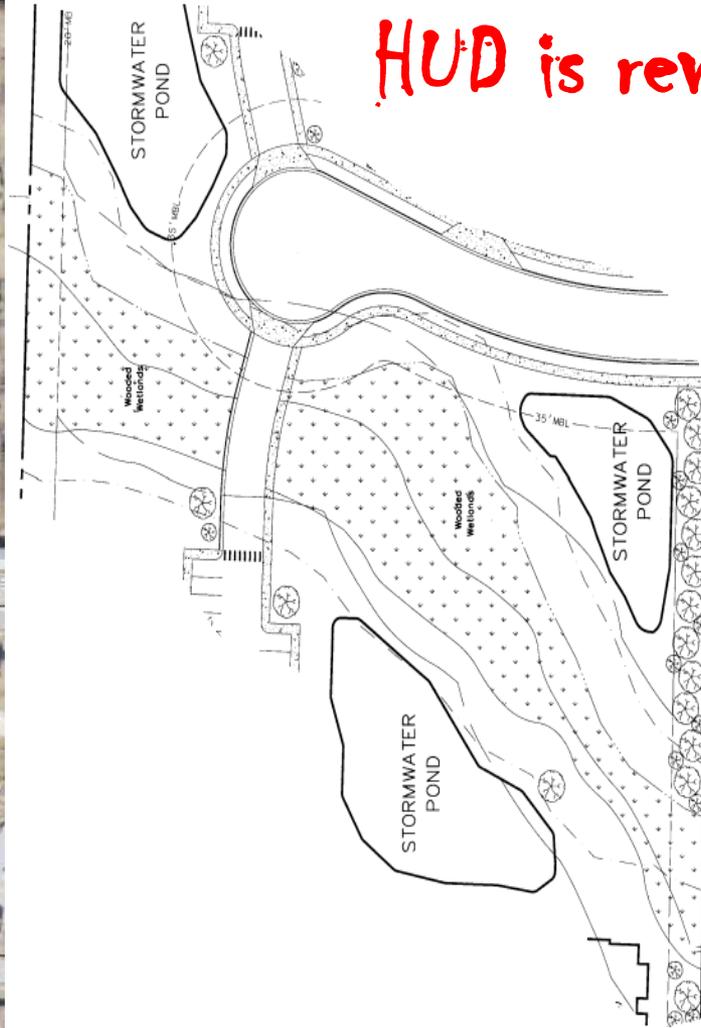
Wetland – Multi-Family 221d4 – New Construction



SITE CONTIONS:

- 12 – 14 foot elevation drop from the edge of the forest buffer to the creek.
- No planned improvements within wetland or SFHA/Floodway areas,
- Forested buffer will not be disturbed.

Wetland – Multi-Family 221d4 – New Construction



HUD is reviewing this project

**Wetland Guidelines
MAP (223f)**

Executive Order 11990
and 24 CFR 55.20

PARTNER

FABLE TIME



¹ Communication, HBR 2013

PARTNER

CNA e-Tool Background

- 2011 interagency Rental Policy Working Group recommendations:
 - Better align the tools and procedures within and across federal agencies administering rental housing.
 - “Creation of a single CNA template tool for use by entities that administer Federal rental housing,” to include:
 - Electronic template format.
 - All the common elements in use by CNAs in use in the market.
 - Analysis of reserves deposits, balances, uses.
 - Integrated energy audit as part of assessment.
 - Benchmarking.
 - HUD as lead agency, with USDA engagement.

CNA e-Tool Implementation

HUD Programs Migrating to CNA e-Tool:

- FHA Multifamily MAP Program - approx 1,000 CNAs/yr.
- Asset Mgmt (Assisted and/or Insured) – approx 400 CNAs/yr.
- Rental Assistance Demonstration (RAD) –approx 600 CNAs/yr.
- Mark-to-Market – approx 100 CNAs/yr.
- HUD Office of Public Housing will continue to use the Green Physical Needs Assessment (GPNA).

Timing:

- Dec 22, 2016 – CNA e-Tool deployed.
- Dec 29, 2016 - ML/Housing Notice published; CNA Homepage.
- July 1, 2017 – CNA e-Tool becomes the required submission template for all MAP, RAD/Recap, Asset Management CNAs.

CNA e-Tool Implementation

USDA Programs Migrating to CNA e-Tool:

- USDA is committed to implementation of the CNA e-Tool.
- Multifamily Rural Housing direct loan and loan guarantee programs, and subsidy programs – approx 300-400 CNAs/yr.
- Approximately 1,000 properties consisting of 26,000 units that are funded by USDA loans are also HUD Section 8.
- Dates tbd - CNA e-Tool rollout begins; CNA e-Tool becomes the required submission template for all CNA submissions.
- USDA will continue to work closely with HUD on the rollout, training materials, tool feedback, and training for USDA staff.

CNA e-Tool

The CNA e Tool is an automated process for preparation, submission and Agency staff review of capital needs assessments in advance of capital transactions or selected asset management milestones. All owners, lenders and third party due diligence providers participating in HUD Multifamily Programs will be affected.

Why the CNA e-Tool was needed and its capabilities

- **Automates & standardizes, industry recognized CNA process**
 - Sets common nomenclature, data inputs and calculations
- **Supports informed investment decisions, component lifecycle cost analytics**
 - CNA e-Tool uses EPA's Energy Star Portfolio Manager reports
 - Database of completed CNAs will support research and policy formation
- **Automates description, costing, scheduling of immediate repairs**
 - Supports recognition and correction of accessibility deficiencies
- **Sets stage for future automation of Asset Management CNA functions**
 - Automation of RfR Escrow disbursements and reporting (HUD form 9250)
 - Living" CNA (real time updates based on actual repairs, replacements)
 - Future RfR deposits adjusted to real time conditions.

Parts of the CNA e-Tool

System Components:

- Assessor Tool (excel template)
- Web portals
 - Validation Engine
 - Submission Portal
 - Reviewer Tool
- EPA Portfolio Manager
- B2G/B2C

Users:

Assessors & Lenders

Assessors & Lenders

Agency Staff

Assessors & Owners

Assessors & Lenders

Parts of the CNA e-Tool

Documents:

- ML/HN 2016-26 & 18
- Web based Training
- Instructions for use of Assessment Tool
- User Access Guide
- Internal User Manual
- MF MAP Guide Ch 5 & Appdx 5G

Users:

Assessors & Lenders

Agency Staff

Big URLs, or, How to Find CNA e Tool Stuff

- **CNA e Tool Homepage:**

https://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/cna

Use Homepage to find links, to download the Assessment Tool Excel Template, to all documents and urls

- **Validation Engine:**

<http://webapps.hud.gov/CNAeTool/faces/CnaValidation>

- **Submission Portal** (user id & password needed)

https://hudapps.hud.gov/HUD_Systems/

Training & Help

- Training:
 - Instructions for Users, download from Homepage
 - Web-based modules, at HUD Exchange, link on Homepage
 - Adobe Connect video “how to” clips—to be posted to Homepage
 - Webinar url & FAQs, posted to Homepage
- Help:
 - Policy issues or how to questions, CNAeTOOL@Hud.Gov
 - For Ids or Access issues, CNAaccess@hud.gov

CNA e-Tool

The CNA e Tool is an automated process for preparation, submission and Agency staff review of capital needs assessments in advance of capital transactions or selected asset management milestones. All owners, lenders and third party due diligence providers participating in HUD Multifamily Programs will be affected.

Why the CNA e-Tool was needed and its capabilities

- **The CNA e-Tool offers efficiencies of a streamlined, standardized, and industry recognized CNA process**
 - The automation process mitigates inconsistencies and streamlines administrative burdens
 - The CNA e-Tool will improve HUD's internal program effectiveness and efficiency
- **The new process provides industry with data that will help make investment decisions to save in utilities, operations, and maintenance costs over the lifecycle of the property**
 - CNA e-Tool is interoperable with EPA's Energy Star Portfolio Manager
 - In time, the data base of completed CNAs will support improved research and policy formation
- **This capability helps to determine rehabilitation needs and helps with investment decisions**
 - The CNA e-Tool was developed with considerable input from industry
 - The product will enhance HUD's ability to work with local stakeholders, including developers, property owners, and state HFAs, if and when HFAs adopt the Assessment Tool for their own use.
- **The CNA e Tool will standardize nomenclature, data inputs and calculations for multifamily industry participants. It is also intended to support energy conservation and sustainable housing objectives in multifamily properties.**

Parts of the CNA e-Tool

System Components:

- Assessor Tool (excel template)
- Web portals
 - Validation Engine
 - Submission Portal
 - Reviewer Tool
- EPA Portfolio Manager
- B2G/B2C

Users:

Assessors & Lenders

Assessors & Lenders

Agency Staff

Assessors & Owners

Assessors & Lenders

Parts of the CNA e-Tool

Documents:

- ML/HN 2016-26 & 18
- Web based Training
- Instructions for use of Assessment Tool
- User Access Guide
- Internal User Manual
- MF MAP Guide Ch 5 & Appdx 5G

Users:

Assessors & Lenders

Agency Staff