

HEROS Training for Multifamily & ORCF FHA Partners, 9/15/20

Sara Jensen: Welcome, everyone, and thanks for attending today's training on HEROS Training for Multifamily and Healthcare, Federal Housing Administration Application. My name is Sara Jensen. I'm the program environmental clearance officer for HUD's Office of Housing. I'm joined by Liz Zepeda, senior environmental protection specialist in HUD's Office of Environment and Energy. Michelle Grainger and Michelle Juma are our technical assistance providers at Enterprise Community Partners.

This webinar is intended for lenders, third party consultants, attorneys, and HUD staff that work with multifamily and Office of Residential Care Facility programs. We may use the acronym ORCF today. The webinar will be recorded and posted for future viewing. Before I go over our training objectives and topics, Michelle from Enterprise will go over some webinar housekeeping. Michelle?

Michelle Grainger: Thank you, Sara. Questions in today's presentation will be answered at the end of the webinar and will be posted on the HUD Exchange site. We will be answering some common questions during the presentation. We will also have a polling feature in today's webinar. In order to answer questions in today's presentation, please feel free to go to [menti.com](https://www.menti.com) and enter code 69-84-455. Or you may scan the QR code. Once there, you may enter your nickname. And just note that questions will pop up when the presenter indicates that the poll is open. This is why you would not see any questions appearing now.

When a question appears, participants will answer before the countdown ends. You will have approximate 30 seconds to answer questions. A long or no answer will give zero points. The faster you enter, the more points you receive. There will be questions that have more than one correct answer. Please feel free to select one as appropriate. Also, you do not have to close out of the poll to go back to the site. The poll will advance to the next question when the presenter opens it. After the final poll, the final winner will be revealed. Now I'll pass it off to Sara to kick us off.

Sara Jensen: Thanks, Michelle. I was having trouble getting off mute. We're actually going to go ahead and start right away with a poll question. This question has no wrong answer. So you'll get points for any answer. And remember you can go to [menti.com](https://www.menti.com) and use the code at the top of the slide.

What we want to know is what is your experience with HEROS? The choices are: A, I've successfully initiated environmental reviews and assigned them to HUD; B, I've started one or two reviews in HEROS; C, I have access but haven't used it yet; and D, I don't have HEROS access. So the poll is now open.

Michelle Juma: The poll is now closed -- 25 percent of respondents have successfully initiated a review; 9 percent have started 1 or 2 reviews in HEROS; 22 percent say they have access but haven't used it yet; and 44 percent don't have access.

Sara Jensen: Thanks, Michelle. It sounds like we have a wide range of experience today. And that's great. We've designed the webinar so we'll have information for those of you just starting off, and also information that those of you who have been using HEROS and may need some guidance about common issues and troubleshooting. So thank you for those of you that participated in the poll. So next we're going to talk about our training objectives.

As I mentioned previously, this HEROS training is designed for lenders, third-party consultants, attorneys, and HUD staff that work with multifamily and Office of Residential Care FHA Program. Our objectives are to explain how to document and submit HEROS environmental reviews for FHA application. If you work with a HUD program other than FHA, particularly a program that is under Part

58, this is not the webinar for you. I would like to direct you instead to multiple HEROS webinars posted on the HUD Exchange for Part 58 programs. You can just go to search engine and search HUD and HEROS training.

One other thing before we start, the slides for today's webinar, there's a link posted in the chat box. You can download those, take notes, follow along, and have them for future reference. So here's our agenda. We're going to cover HEROS partner reviews from start to finish. We'll also talk about some recent HEROS technical updates, discuss troubleshooting, and common questions and issues. And thank you to those of that submitted questions ahead of time with your registration form. You can submit new questions during the webinar via the Q&A panel. And we'll take as many as we can today that relate to FHA programs. And we'll follow up in writing on any we miss.

One note about timing. We plan to have enough time for questions so that we can end at 2:30. However, if needed, we are able to extend the Q&A period. So we will definitely finish the content by 2:30 but may need to extend the Q&A period. This webinar will be recorded. So if you need to leave at 2:30, you'll be able to go back and catch any questions and answers that you missed.

So now I'd like to turn the presentation over to Liz Zepeda, who will start us off by discussing the purpose of conducting environmental reviews in HEROS.

Liz Zepeda: Thanks, Sara. So short answer, the purpose of conducting environmental reviews is to take a close look at a proposed project side and its relationship to the environment. We want to look both at how the proposal would affect the environment, and probably even more important when we're dealing with housing, how the environment will impact residents. We also need to make sure that our projects comply with all applicable environmental laws and authorities, which depending on the scope of the project, is going up to 17 different laws and authorities.

Under the National Environmental Policy Act, or NEPA, environmental review records are public documents that are meant to encourage public participation. So just about anything you put in your environmental review record will be made publicly available as part of that record. In the case of FHA, we understand that there can be some concern about privacy. We are mindful of that when we post our records and ensure that the timing is right. I think Sara's going to talk more about that later.

In this training, we're going to assume that you're already familiar with the basics of environmental reviews for HUD. If this is brand-new to you, we have a lot of resources that you can refer to. We'll go over those at the end of this training. And HEROS is designed to help. But you will need to work outside of the system and outside of this webinar to familiarize yourself with the requirements and your roles and responsibilities.

The complete environmental review record is key to the environmental review process. We need it to prove that all required steps were taken and to have something that the public can review so that they can really understand what's going on in their community. It's critical when we prepare this record that it includes support documentation for every assertion. We can't just take your word for anything. The public can't take our word for anything. We really need to have that proof and documentation. This also needs to be in terms that the public understands. For me, that's using words like, "rehab" and "construction" instead of program language, like "223 (f)" and "221 (d)(4)." We want to use plain language that is going to make sense to the public at large.

Roles and responsibilities are really important to keep in mind here. HUD is ultimately responsible for completing and improving Part 50 environmental review records. Now, the situation is very different for environmental reviews that are completed under Part 58. But again, this webinar we're focusing on FHA

programs and Part 50 environmental reviews. Some contrast partners, like applicants and third-party providers, can and should prepare initial analysis and supporting documentation. But HUD staff are legally required to independently evaluate and take responsibility for anything that's in the environmental review record.

And then there are certain steps, like contacting tribes or giving public notice, that can only be completed by HUD staff on HUD letterhead. So that's my very quick overview of environmental reviews generally. We will show you more resources towards the end of the presentation if you need more background there.

HEROS is a comprehensive system that replaces our old paper-based environmental review forms and processes. For those of you who remember the form HUD-4128, that's all replaced with this one online tool. We like to describe HEROS as kind of Turbo-Tax-like in that it walks you through the environmental review process, including guiding you through the steps of what's required for what type of environmental review.

That helps us make sure that environmental reviews are comprehensive and complete and compliant with all those laws and authorities. It also works with Part 50 and Part 58 for all HUD programs so that we have everybody within HUD operating fairly consistently. The downside of that -- as you will see moving into this -- is that it's not necessarily tailored to program needs. So we will need to supplement HEROS with some program-specific guidance. So this is just where we stand with various HUD programs and how they are using HEROS. When it comes to Part 50 programs, HEROS is mandatory for HUD staff in just about every program, if not every program.

Certainly for multifamily production, ORCF, and RAD, HUD staff are required to use HEROS to complete all of their Part 50 reviews. For partners in those programs, it is mandatory for RAD, and strongly encouraged for multifamily production and ORCF. So we're moving towards making it required that when we get an application for these programs, that it be accompanied by an environmental report in HEROS. It's a bit different for Part 58. For Part 58 programs, HEROS is generally optional for most responsible entities with an option for partner users to assist them.

Going back to the all-important roles and responsibilities in HEROS, partners is the word we use for non-HUD users working on Part 50 environmental reviews; that includes third-party providers, applicants, [inaudible] public housing authorities, other kinds of parties. For our purposes today, we're mostly dealing with the third-party providers and applicants.

We've also got HUD staff operating in several different roles -- the HUD preparers in the program offices from transaction managers, underwriters, appraisers, ORCF production and asset management staff, as well as a number of different parties who might sign off or review environmental reviews, including environmental clearance officers who are required to review and comment on some Part 50 reviews. Those are the field and regional environmental officers in my office around the country.

This slide breaks down that process and how the different roles work together to complete environmental reviews. So partners will initiate the process by starting an environmental review in HEROS, assembling data and documents, and when they're at a good stopping point, actually assigning that review through HEROS to HUD. Lenders have view-only privileges. So they can use HEROS to inspect an environmental review that has been initiated by a third-party provider; but they can't edit it. And we've got more on that in the next slide.

HUD prepares what will take that environmental review record from the third-party provider once it has been assigned to HUD. We do not look at environmental reviews until they've been assigned to us to prevent any confusion. But once you've assigned it, we will review all the information directly in

HEROS. If there's anything missing, we can follow up with partners, assign it back, and then we'll complete any required steps that have to be completed by HUD. And your last step is going to be circulating the review through HEROS to all necessary signatories, whether that's the environmental clearance officer or supervisors and the approving official for the program.

There is no signature space for partners because this is ultimately HUD's review. Getting back to lender's role, as a third-party provider, you'll need to share the environmental review record with a lender before assigning it to HUD. There's two ways to do this. It's completely up to the lender which they prefer. HUD doesn't have a preference as long as the lender reviews it. If they have HEROS access, the environmental review record can be assigned directly to them so that they can review the full record in HEROS. Lenders have view-only privileges, like I said; they won't be able to edit the environmental review directly. But if they have any concerns or issues, they can have the third-party provider make those adjustments for them.

If the lender doesn't have HEROS access or doesn't want to use HEROS, the third-party provider should generate the environmental review record in HEROS and share it outside the system -- so email it to them. We are going to get more towards the end of the training on how to do that. There is a screen specifically designed for the purpose of generating this environmental review record, and that's how we recommend that you do it. Okay. So let's get into combining those two, how to conduct an environmental review in HEROS.

First thing, we're going to start with materials you need to get started and understand your role in this process. I always think that the most important thing is to know where to get help when you need it. We have partner guidance for each program. These take you through each step in the process and how the program wants you to complete that step. So on the right here, we have a guide to using HEROS as an FHA partner for a multifamily FHA. We also have another one of these for residential care facilities partners. It's similar guidance, but not identical because there are some differences in how they like to treat things.

We also have similar guidance for partner users for the RAD Program and for 223 (a)(7) and 223 apps that are categorically excluded, not subject to related laws and authorities. All of those are available on the housing environmental review page on HUD Exchange that's linked here on the left. I strongly recommend choosing the one that's appropriate for your program and following along as you prepare the environmental review record. I personally would always have this out in front of me if I was doing this.

Here's the steps in the environmental review process, roughly. You might notice there's a pattern here that partners initiate the review, and HUD is going to be responsible for any final determinations and findings. So the partner can start the environmental review record. They can make an initial recommendation about level of review. Start the initial compliance with the related laws and authorities. But then once it comes to making that final determination about compliance, that's when we go to HUD and we take responsibility.

On timing and committing environmental information for FHA applications, for multifamily, they ask that you submit the environmental report in HEROS to HUD either at the pre-op stage for two-stage projects, or with the application for one-stage projects. For ORCF, you should always be submitting the environmental report with the application. A lender should also be making sure to identify any environmental issues at the concept meeting and in the lender narrative. If major issues come up as a surprise only when HUD gets to the environmental review, that's going to slow things down substantially.

The whole process goes much smoother if we can start identifying a response to any issues early on, especially before we actually get the environmental review assigned to HEROS. The first step is to get HEROS access. You'll submit a request using the Google form linked to here. There are instructions on

that housing HUD Exchange website with links and information on how to complete this form. Don't put this off until the day you need HEROS. It is not an instant process. Our team needs to get you a HUD system log-in and manually set up your profile with your specific privileges and roles. It generally does take about two weeks to get you HEROS access, so plan ahead.

Another thing I'd like to note here is you actually get access to two different HEROS environments. There's the production environment, which is the real HEROS. You can use HEROS all you want without being aware that there are two environments as long as you're always using that production environment. But you do also get access to a training environment. So if you want to practice, play around with environmental reviews -- see how they work, see how HEROS works -- you're welcome to use that training environment to make some fake reviews and play with those.

Just be warned that they will not be saved in the system and they don't count essentially. So make sure you're not putting any real environmental reviews in that training environment.

Once you have your log-in information and you're in the production environment, as a partner, you'll need to select both your organization name and the organization that will ultimately be responsible for the finished environmental review each time you log in. So for a Part 50 program like FHA, you're going to select the name of your company first. And then you'll select HUD as the party that's responsible for the environmental review. You might select another organization or locality. Here we have Alexandria in Fairfax County listed. Those might also be on your list if you were hired to help prepare a Part 58 review on behalf of one of these cities or counties. But again, we're focusing on Part 50 today.

When you first log into HEROS, you'll see a blank dashboard like this. If you do have any environmental reviews in progress that you're working on, they will appear here. But as a partner, you're only going to be able to see environmental reviews that are assigned to you. So once you finish with your portion of the environmental review and you sign it off to HUD, you will no longer see it here on your dashboard. We'll get more into what all of that means later on, but sometimes it freaks people out that suddenly the environmental review has disappeared. It doesn't mean that it's gone. It just means that you can no longer edit it until HUD assigns it back to you, or whoever has been assigned the review assigns it back to you.

So if you're first getting started on a new environmental review, your first step is going to be pressing here, start a new environmental review. The first screen is a real easy one. It's more of a confirmation than a real question, just confirming whether the review should be a Part 50 or a Part 58 review. If you've logged into HEROS correctly, you should only have the option to start a Part 50 review. If you can't click Part 50, then something has gone awry. Get in touch with us and we can fix it.

This is the first real screen. There's a lot of questions and prompts here. This is where you'll really want to refer to those program-specific guidance documents know how to respond to each of these fields. The guidance documents will really tell you exactly how to respond to each of these. This is pretty much copied and pasted from our program-specific guidance documents. So in keeping, we need your project name to include the information. You will need to easily find and identify the project. Our dashboard as HUD staff can get very overwhelming. So we need to have identifiable project names that will help us quickly search for the project we're looking for.

So that should include a descriptive name like a building name or address, and the FHA number so that we can distinguish it from similarly named projects. There's other areas where we're just going to be looking for a placeholder from you. For project costs and amount of HUD assistance, we have partners just to enter zero, allowing HUD to provide the actual information when the environmental review is assigned to us. Unfortunately for you all, these are a required field, so you can't just leave them blank. But

when you come across a required field like this that you can't answer, please enter a placeholder so that we can get to it.

Continuing on down the screen, there are some more prompts that we need to get to. It's a long screen. The main thing I want to stress here is just to have that guidance in front of you when you're initiating a review for HUD so that you can do this efficiently and accurately. Towards the bottom of the screen, you're going to be prompted to fill in the applicant, HUD preparer, and consultant information.

Sometimes people can struggle with this a bit. Some applicants will be in the system and you can link the environmental review to them by searching in the system. This will apply to public housing authorities if you're working on a review for RAD, for example. But lenders generally are not going to be in the system, so you'll just type in the name of the lender and a point of contact for them.

The consultant information is not a required field, because not every environmental review will have a third-party provider. But for those of you who are third-party providers, you should always be entering your information here -- your name, your consulting firm. Now, if you're wondering what you should put for HUD preparer, that's where that guidance document comes in. Towards the bottom here, we have the prompt, if you know who the HUD preparer is going to be, enter their information, the assigned underwriter or appraiser. If you don't know, put "TBD."

This is just what that screen might look like when a partner user is done with it. Note that you can have multiple HUD programs here. So if for example, you were working on a multifamily FHA project that was also incorporating a RAD transaction, you could add another funding source so that this table can have multiple rows, which is our situation here.

Next couple slides we give some tips to help you work in HEROS. Our first is tax tips. If you click on one of these little blue eyes here, you'll get a pop-up box with more information on how to respond to that prompt. Of course, in this case, the program guidance is more targeted to your specific question than this pop-up is. So refer to that guidance. But these can be really helpful.

Next thing I want to note is the side menu. As you complete an environmental review in HEROS, you'll see this list of screens on the left side of your screen. You can use that to jump directly to a specific screen if you're in the middle of an environmental review. And it'll expand as you work, because it only shows the screens that you'll need to complete based on your selections, particularly the level of review. So this is going to keep growing and growing depending on the scope of the review.

One thing I really want to highlight here is the importance of saving your work. When you're done with the screen, please do not just jump away from it using the side menu. Make sure you're pressing a save button on the screen before you use the side menu to go to another screen. Now I'm going to pass it back to Sara.

Sara Jensen: Thanks, Liz. I'm going to talk about the project summary screen, which is one of the most crucial screens in HEROS because of the project description box. A good project description will set you up for a successful environmental review because it is the basis for determining the correct level of review, and the foundation for considering the laws and authorities. An incorrect or incomplete project summary will lead to problems and delay. Here's a little more info about the rest of the screen, and then I'm going to come back to talk about project description.

The project summary screen, in addition to the project description, asks for the address and has a place to upload state maps and photos. These maps and photos are very important. Please do not skip that step. There is space for additional location information for new construction projects that don't yet have a street

address or projects with multiple addresses or any situation where you need to describe a little bit more the location.

This piece also has a section for field inspection. And this can be confusing. This is for HUD field inspection only -- not lender or third-party field inspection. Lenders and third-parties should upload pictures and site visit documentation under the location information box.

Back to project description -- I mentioned how important this is. What should you include? This slide provides a good starting point. HUD is looking for a full description of activities including project size, type, time frame, costs, and all these other details. We want to know if the project includes other funds, such as LIHTC or HOME or Choice Neighborhood. And make sure to note whether rehab will include ground disturbance.

I did see a question come in on the Q&A about whether HUD staff doing a 202, which is another housing program, if they should include HOME funds. The answer is yes. That should be included in the project description. You may even want to add it on the initial screen as a source of funding. And more importantly, you need to reach out to the partners that are using the HOME and try to coordinate the environmental review as much as possible. So that's a whole other discussion. And we can follow up in writing on that question after the training, the question of coordinating and doing one review. But the answer to whether that should go in the project description in the initial screen is yes.

The project description leads you to a must support a level of environmental review determination, which is the next step in HEROS. And Liz is going to go through this in detail. So for rehab projects on this project description, include the specific activities from the scope of work. And for 221 (d)(4) substantial rehab, include the estimated value after rehab and whether there will be an increase or decrease in units. Liz will explain in more detail why you would do this when she goes over the level of review. But just make a note on your slides or in your notebook that the project summary screen is where you must put this information.

As Liz already mentioned, there are different rules for partners and HUD. We ask partners to include a complete project description in HEROS, but the HUD preparer must review this for accuracy and completeness. So, HUD staff, please remember -- the HEROS document is HUD's document. It's imperative to carefully review the project description and make edits and adjustments as necessary.

Aggregation -- we can't talk about project description without discussing project aggregation. [Inaudible] work closely with the Office of Environment and Energy and with HUD's general counsel on a national approach to project aggregation. And this language will be in the map updates. The policy on the screen here is, where a parcel that secures the FHA mortgage is part of a larger site, the project should be designed as that parcel plus the parts of the rest of the site that are related to the HUD development, for example, access roads, parking, storm water detention systems, open spaces, and utilities. This policy establishes general guidelines, but it's important to note that aggregation is contextual and applied case by case.

If you have questions on a specific project, reach out to your program contacts for guidance. We talked about project aggregation and defining project boundaries. We always like to note that the environmental review can extend beyond the project boundaries. For example, a new construction project in a historic district could have its area of potential effect on historic properties extend several blocks. Or noise from construction could impact endangered birds during nesting season a quarter mile away. Or in the Pacific Northwest, water run-off from new impervious surfaces can impact endangered salmon in streams miles away.

Getting back to aggregation, here's an example: we have a historic building tower with two owners. The HUD project will only include floors 9-31. In this case, the entire tower must be aggregated together as a single environmental review. The Phase 1, radon testing, Section 106 review and other laws and authorities must be for the building as a whole. If any mitigation is needed, it must cover the entire building and be included in the development agreement. This specific example is unique, but we have seen projects where a separate owner may own the underground parking garage and ground-level retail. These cases also need to be aggregated together into one environmental review.

Here's a more common FHA scenario. A mixed-use development parcel. This example will have multifamily housing, retail buildings, a for-profit fitness center, access roads, and parking. In this example, the FHA project should be defined as the multifamily parcel, plus the parking access roads and utilities that serve the project. Even though residents may use the for-profit fitness center and retail, these do not need to be included as part of the aggregated project. As we noted before, the environmental review may need to extend beyond the project boundaries to comply with the specific laws and authorities.

So to conclude on this topic, when you complete the project description box on the project summary screen, you must include the related aggregated actions. Now Liz will talk about determining the correct level of environmental review.

Liz Zepeda: All right. Thanks. We're going to spend the next few slides discussing HUD levels of review and how you can identify the correct level of review for FHA projects and enter that information into HEROS. Keep in mind, as a partner, you would only be making a preliminary selection. The level of review is not official until HUD has made its decision about the level of review. So this will be subject to change. It's possible that the level of review could change along the way. And HEROS is flexible enough to allow that.

And, as Sara said, the level of review is really tied to the project description. I should really always be able to determine the level of review with your project after reading the project description. So it's important that that step is completed properly before we move on to the level of review. The four levels of review under Part 50, the lowest is categorically excluded not subject to the related laws and authorities or CENST. Here the only environmental review requirements are flood insurance and then some limited program requirements that are outlined in the map guide, the Lean Handbook, whatever applies to the specific project.

This applies to projects that are already in HUD's portfolio and has no work beyond routine maintenance proposed. Our next level is categorically excluded subject to the related laws and authorities, or CEST. These are categorically excluded from NEPA, but they must document compliance with a full range of other environmental laws and authorities, like floodplain management, contamination, historic preservation, noise, all of those. These apply to any project that's new to HUD's portfolio or that involves minor rehab or anything beyond routine maintenance.

It's important to check the regulations when you're determining whether rehab is minor, as we defined it in Part 50. This is similar to the program thresholds for sub rehab, but they're not identical. It's important to use the Part 50 thresholds when you're making this determination. And I'll show you what that looks like later on.

Environmental assessments, or EA, is the next level. These have to follow the full NEPA process to determine if the projects could have a significant impact on a human environment, as well as all the other

related laws and authorities. This level of review also requires review in comments from my office, the local field or regional environmental officer, if the project affects more than 200 units.

This is the appropriate level of review for projects involving rehab that exceeds those categorically excluded thresholds in Part 50 or any new construction or demolition. The highest level of review is an environmental impact statement, or EIS. This applies to projects impacting more than 2,500 units or projects that have been otherwise found to have a significant impact on the human environment. You're probably never going to see an EIS for a Part 50 project, so we're not really going to spend any time here. But if you did, you would refer to regulations passed by the White House Council on Environmental Quality on how to complete an EIS.

So let's look at how that's specifically tailored to FHA programs. At the left those categorically excluded not subject to the related laws and authorities' projects, for multifamily FHA, that includes all 223 (a)(7) refinances. It also includes 223 (f)s that are already in HUD's portfolio with only routine maintenance. We have a memo defining maintenance, what we mean by routine maintenance that falls under this level of review. And there's a link at the bottom of this slide.

Next, we've categorically excluded subject 2. This includes any 223 (f) refinances or purchases that involve work that exceeds maintenance or are new to HUD's portfolio. It can also include 221 (d)(4) rehab if they're under this CEST threshold that's in Part 50. Then we have environmental assessments, anything with new construction or major rehab, including most 221 (d)(4)s -- any 221 (d)(4)s that don't fall under that categorically excluded threshold. And then finally, EISs, you're very rarely going to see.

I just want to highlight on 223 (f) in case you missed it -- if they're new to HUDs portfolio, we require a categorically excluded subject to environmental review regardless of whether the activities are limited to routine maintenance. For ORCF or 232, it's pretty much the same.

The biggest difference is that for the 232 programs, we can't guarantee that all 223 (a)(7)s will be categorically excluded not subject to the related laws and authorities. Because of the differences in program requirements, both 223 (a)(7)s and 223 (f)s, either of those could be either categorically excluded subject to or not subject to the same as 223 (f)s are for multiple family. So you'd be referring to the regulations on those. But otherwise, it should be the same.

For either multifamily or ORCF, your project description has to match up with the level of review. So if you're dealing with categorically excluded not subject to 223 (f) or 223 (a)(7) or ORCF, your project description should clearly demonstrate to HUD that that's the appropriate level of review. And by that, I mean, a project description should be merely explicit if the project is already in HUD's portfolio and that there's no planned work beyond maintenance. If there is any maintenance proposed, we should be able to determine whether that work falls under our definition of maintenance in this memo, or whether we would categorize it as rehab for environmental review purposes.

Similarly, for 221 (d)(4) that you're saying is categorically excluded because it's below those thresholds, the project descriptions has to describe how the project meets those categorical exclusion thresholds, including estimated value after rehab. I'm sorry I have not had a slide that shows you those thresholds yet. I will shortly. If we don't have that information at HUD, we're going to have to proceed with an environmental assessment because we can't conclude or confirm the categorical exclusion applies. I think Sara mentioned this -- we suggest uploading the scope of work to the project summary page to help with all that confirmation.

So now we're going to show how you actually make these selections in HEROS. Our first example is a CENST 223 (a)(7). For categorically excluded review, you would essentially have to choose both a circle

and a square. So first, you're going to select your level of review -- in this case, by that top radio button, categorically excluded not subject to the Federal laws and authorities. You'll need to scroll all the way down towards the bottom of the screen to find the applicable categorical exclusion. It's checked here. It's in 24 CFR 50.19 (b)(21). And that's where we have an exclusion for refinances of HUD-insured mortgages that will not have work beyond routine maintenance.

Once you've selected that, any CENST projects only have to complete two screens -- our flood insurance screen and the housing requirement screen. We're going to talk a little bit more about flood insurance later on, but these tables show what FHA requires for CENST reviews in terms of lead-based paint, radon, asbestos, and nuisances and hazards. Most of this analysis does not apply to CENST 223 (a)(7)s or 223 (f)s. But 223 (f)s must comply with the lead-based paint standards even if they are at this level of review. And we always encourage radon testing.

Now we're going to show how to select the level of review for CEST 223 (f). Here your circle if the level of review is categorically excluded subject to the Federal laws and authorities. And the specific exclusion that applies is this second to last one -- purchased or refinanced housing and medical facilities under Section 223 (f) of the National Housing Act. It's a pretty easy one. They give you the name of the program right there. So if you press save and continue there you'll get to a very different version of that related laws and authorities summary screen. Because this is categorically excluded subject to the related laws and authorities, you're going to see all these laws and authorities.

You'll also notice that there is more on the side menu because these reviews need to complete more screens. And finally, if you're working with an environmental assessment like a new construction project, you'll just need to select environmental assessment. EAs are kind of the default, so you don't need to demonstrate why your project is EA, just select that level of review. Your first screen you'll go to is the project justification screen. I'll talk more about that one later on. And then you'll get to the related laws and authorities summary. There's even more on the side menu. It just keeps expanding depending on how many screens you need for that level of review. So that's about it for our level of review.

Just keep in mind that it's critical that HUD checks your work. If HUD disagrees with your selected or suggested level of review, they're going to send it back to you for correction. So if you selected that a review is categorically excluded when it's really an environmental assessment, that's a good amount of work that's going to be missing that we're going to need to supplement. The good news is that you can change the level of review back and forth and a review in HEROS and you're not going to lose your data. It will save. So now we're going to be doing our second poll. And I'm going to pass it to Michelle to provide a review of how you can participate in the poll.

Michelle Grainger: Great. Thanks, Liz. As a reminder, to answer questions in today's presentation, go to menti.com and enter code 69-84-455. Or scan the QR code. Once there, enter your name. And questions will appear when the presenter indicates that the poll is open. That's why right now you will not be seeing any questions. When a question appears, participants should answer before the countdown ends. You will have about 45 seconds to answer questions. The faster you answer questions, the more points you receive.

There will be questions that may have more than one correct answer. Please feel free to select one. Also, just bear in mind that you do not have to close the poll and go back to the website. The poll will advance to the next question when the presenter opens it. After the final poll, the final winner will be revealed. Now I'll pass it back to Liz to kick us off.

Liz Zepeda: Thanks, Michelle. In this poll, we're giving you a scenario and asking you to identify the correct level of review. This is a 223 (f) with cash out for a project that is already HUD-insured. And the

scope of work includes repainting the lines in the parking lot, patching interior drywall, replacing carpet, and installing a new fire suppression sprinkler system in the building.

So your choices are: A, categorically excluded, not subject to the related laws and authorities; B, categorically excluded, subject to the laws and authorities, or CEST; or C, environmental assessment, or EA; or D, I need more information to make this determination. The polls are now open, and you'll have about 45 seconds to answer. And as you answer, make sure you're referring to the full question scope on the slide, and not necessarily just the short version that's on Menti.

Michelle Grainger: The poll is now closed -- 19 respondents selected A; 34 selected B; 14 selected C; and 6 respondents selected B.

Liz Zepeda: All right. Thank you. So the correct answer here was B. And it sounds like most of you got that one right. This is categorically excluded, subject to the laws and authorities. This was a pretty close one. We didn't give you an easy one here. This project would come very close to being CENST because it's already in HUD's portfolio and most of the work is limited to maintenance. However, that new sprinkler system pushes it into CEST. And that's because this is an entirely new system rather than maintenance of what's already there. Without that sprinkler system, this very well could have been categorically excluded, not subject to.

Option B I think is also a very reasonable choice. But I think we have enough information here to say that it's categorically excluded, subject to -- CEST. Okay. Remember you can keep Menti open. We're going to have more of these as we continue. And, Sara, do we have any questions you'd like to talk about now?

Sara Jensen: Yeah. Hi, Liz. There are no pressing clarifications that we need to address now, so let's hold until the end. I did, though, just want to say that we're aware that the first poll question we told you that no answers were wrong, but some of you did get a response that your answer was wrong. So we're going to fix that and make sure you don't lose points. So any answer was correct for poll 1. But we can continue through the slides now.

Liz Zepeda: Now that we've got our level of review, we can move on to the meat of your environmental review, completing documenting compliance with the related laws and authority's analysis. These are all the environmental laws and authorities listed in 50.4. You'll need to check for compliance with all of these for any project that is new to HUD's portfolio or includes any rehab or construction beyond routine maintenance. For all of these, HUD is going to have the final decision about whether the project complies or not. But as a partner, you should initiate the work and get all the analyses and documents that HUD will need to complete the final steps and make its determination.

In addition to those regulatory requirements, the map guide and Lean Handbook has some further help and safety standards on everything from radon to transmission lines, plus some stricter standards on contamination, floodplain management, and explosive and flammable hazards than our regulations than 50.4 require. This slide shows where you can find all those extra requirements in the map guide. HEROS is based on a standard HUD requirement. It's based on the regulations because it is used by all HUD programs, not just FHA program. So it means you have to keep an eye out for these special program-specific requirements yourself.

This is another area where you really want to have that program-specific HEROS guidance on hand to supplement the HUD minimums that you'll see in HEROS. This is a break-down of your role as a partner and how to perform that role here. For each of the related laws and authorities listed in 50.4 -- toxic contamination, floodplain management, noise -- all of those, we have an individual screen for each one in

HEROS. Each screen directs you through a series of dynamic questions and prompts that will help you determine whether the project complies with that requirement.

You might only have to answer one question. You might have to answer five or six. It depends on whether there are any potential complications associated with the project and its location. When you've gotten through all the required questions, you'll be directed to a screen summary where you'll have an automatically generated compliance determination, which you can edit, and an opportunity to upload all of your documents. It's your responsibility to provide HUD with all the data and analyses that we need to complete that review.

Only HUD can make the final decision about whether a project complies with each law and authority. So the final response on each screen can only be completed by HUD. And don't worry. I am going to show you what all of this looks like very soon in case that's unclear. That's it. At this time, HEROS requires users to respond to all system-generated questions on each screen before you can upload documentation. So where you're not legally able to complete all requirements -- for example, if tribal consultation is required or public notice -- you should respond to all questions using your best recommendations and suggestions for HUD, and be very clear about where you're only making assumptions or recommendations for HUD's approval.

In the compliance determination section at the end of each screen, you'll describe any assumptions you made and clearly state which responses are merely preliminary, or suggestions for HUD. And staff will review your recommendations and use them to finalize the screens as appropriate. We're going to show you an example or two of how we want that to work. First, we're going to start with a simple example -- although that is pretty hard to describe just in words.

After you select your level of review, you're going to be directed to this screen that we've seen before. A common error is thinking you're just going to be able to type your compliance determination directly onto this law and authorities summary screen. That's not the case. The screen is not edible. You have to click on these links on the left column to complete each law and authority screen. When you click on airport hazards, you'll be directed to a screen that looks like this with some information on this policy requirement or regulatory requirement, a link to our website where you can get more information, and these questions and prompts.

I'll note that our links go to -- say, they're for 1 CPD, which is an old version of our website -- they redirect to the current site, HUD Exchange. So each time you answer a question and press next, you'll be directed to the next question automatically. And when you've responded to all questions, you'll get to that screen summary. This is where you'll see that final question that you will not be able to respond to as a partner. This will be grayed out. And only HUD staff will be able to choose a response here.

A statement of compliance is going to appear automatically. But you should also enter any notes for HUD here, clearly indicating that these notes are provided by you and your organization. So in this example, we have the automatically generated language about the project distance from airports, and then we also see partner's notes about the specific airport. And this is also where you'll upload any and all documentation supporting your conclusion.

We talked about earlier you're strongly encouraged as a partner to enter information directly into HEROS. But at this point, you still do have the option for multifamily and ORCF FHA projects to use partner worksheets and not submit directly into HEROS. These can also be useful as a reference. But basically, these are Word documents that we prepared that have the same questions as the questions in HEROS, but they're tailored more specifically to partners. So they cut off at the point where a partner would have to

submit their review to HUD and would not be able to continue anymore. These can be a good reference if you're not sure what you can and cannot do as a partner.

So as you complete these related law and authority screens, the summary screen is going to start to fill in. So a reviewer can see the date of the project at a glance. Any text you enter in the client determination and screen summary is going to appear here in the right-hand column. And the middle column is going to remain blank until HUD staff take ownership of the review and make those selections. Over the next few slides, we're going to go into detail about a few of the law and authority screens. We want to stress that this is not a training on how to comply with these laws and authorities, but only a discussion of the partner's relationship with those screens.

As a partner, it's your responsibility to learn those compliance steps separately. As we talked about earlier, we have a lot of resources you can refer to, including these pages on the HUD Exchange, our web-based instructional system for environmental reviews, or WISER, which is also linked to here. This year, the Office of Housing and OEE, my office, has been collaborating on a series of FHA-focused webinars. So we'd encourage you to review those recordings as well. If you haven't, we've got historic preservation, noise, and floodplain management, I think we've done this year. And links to all of that is coming towards the end of the presentation.

In the next few slides, we're going to just look at some of those laws and authorities that we anticipate creating the most potential confusion as we roll out to partners. A lot of these slides basically have the instructions from that program's specific guidance. So, again, a good resource if you're wondering what a partner can and can't do. Before we get there, I want to remind you that you're required to upload all documents in the correct space where HEROS asks for it. So floodplain maps on the floodplain screen, wetlands map on the wetlands screen, Phase 1 on the toxic contamination screen, etc.

There was a point where we were more relaxed about this, but we're now requiring that all documents be uploaded in the appropriate spot, which is going to enable HUD to review your documents faster and easier and make that review more efficient. So we're starting off with an easy one -- flood insurance. This first question on the flood insurance screen can trip people up. But there's a really easy rule -- for all FHA projects, the answer to the first question on this screen is yes. It's always yes. Whether it's multifamily, health care, any level of review, whether the project is in the floodplain or out of the floodplain, the project involves mortgage insurance, the answer is yes. So that's my summary of flood insurance.

Floodplain management is a little trickier. This is our guidance from the program-specific guidance. For floodplain management, we want you to create a FIRMette with the site limits clearly outlined, determine whether the project is in a floodplain, and make a recommendation to HUD about whether the five- or eight-step process will be required. You should not just jump in and complete the five- or eight-step process yourself, but you should assist HUD with that analysis. HUD will review all of your entries and documents here and determine the next steps.

So we're going to go through this screen in a little more detail. You should respond to each question as completely and accurately as possible to determine whether the project complies, or can with mitigation comply, with that law and authority. Again, you might have to make some assumptions or help HUD out. This one starts with an unusually difficult question unfortunately whether it be any exception in 5512 (c) applies. In our example, we're going to say no. So we're next prompted to upload a FIRMette and determine whether the project is in a floodplain.

In our example here, it's not accepted under 5512 (c). It's in a 100-year floodplain. And the project is going to require the eight-step process because no exception in 5512 (b) or (a) applies. This means the partner can't complete the full analysis because only HUD can take responsibility for the eighth step. The

next question creates kind of a technical problem. You'll be prompted to describe all mitigation measures. And you have to just enter text before you can proceed to the screen summary and upload your documents. However, mitigation measures will not be officially defined until after HUD has completed the eight-step process.

In these situations, we ask you to respond to all questions using your best suggestion. And here we see an example where the partner has entered some recommendations for what appropriate mitigation measures might be. It's really critical to be clear about what's a suggestion, which is why we like to have these notes from partner in all caps. Once you've entered that, you can get to the screen summary to summarize compliance. Again, this is a good place to enter some notes from partner. That determination will be automatically generated, but you can use this space to leave any notes or comments or suggestions for HUD.

Next, you'll upload all of your supporting documents here. And as we can see, the final question on this screen is grayed out and can't be answered. A HUD user is going to have to come in after you to complete the screen by answering that question. Next, we're going to look at wetlands, protection, which is fairly similar. Here you should provide a national wetlands inventory map showing the project's proximity to any wetlands. If you do use any secondary reference sources, those should be included as well.

And if there are any wetlands or possible wetlands, you'll work with HUD to decide how to proceed. HUD's going to decide whether to consult with Fish and Wildlife Service, whether to complete a wetlands delineation survey. And then if the project requires a five- or eight-step process, again, HUD is going to complete that process. And now I'll pass it back to Sara.

Sara Jensen: Okay. Great. So I'm going to touch on a few more laws and authorities that are confusing in HEROS or need clarification on the roles of partners versus HUD staff. So the first one is endangered species. And partners should not consult with U.S. Fish and Wildlife or NOAA Fisheries without coordinating with HUD. The first point is only HUD can initiate formal or informal consultation with the services. And a second even more important point is that HUD may have negotiated a regional letter, memorandum, or other document that allows us to make a no effect determination for projects that meet specific criteria.

There also may be a programmatic agreement in place to streamline consultation. So alert HUD staff early on endangered species, especially for projects in Washington and Oregon. Lenders and third-party consultants can request species list, prepare biological assessment for HUD's review, and provide the information needed for consultation. The next one is historic preservation and there are similar issues for this. Only HUD staff may contact tribes and tribal historic preservation officers.

For state historic preservation officers or SHPOs, some states will respond to HUD partners, and others will not. For details about SHPO consultation and information about a delegation to lenders coming with the map updates, please view our July webinar on historic preservation for FHA partners. A link is at the end of the slide deck. The most important takeaway from this slide today is to coordinate with HUD as soon as possible if the project includes ground disturbance or is in or near a historic building or historic district.

The very first question on the historic preservation HEROS screen is confusing and lots of partners and HUD staff mark the button wrong. The question is, is Section 106 review required for your project? And for almost all FHA projects, the correct choice is the third button -- yes. There's a very narrow no potential to cause effects memo for 223 (f) already in HUD's portfolio with no work beyond maintenance. And five states have programmatic agreements that cover certain types of minor rehab for FHA projects.

But unless you can find a no potential to cause effect memo or programmatic agreement that applies to your project, you must pick yes.

And the July historic preservation training I already mentioned has a lot more detail on this and many other historic preservation topics. So noise -- we also did a webinar on noise in August. So I'm going to direct you for detail about noise to that webinar. The link is also at the end of the slides. But I just wanted to mention that the HEROS questions and prompts for noise actually change based on your project and level of review. So, for example, if you're doing a 223 (f) that's at a categorically excluded level of review, the noise HEROS screen will only ask you for a preliminary noise screening -- not a noise calculation.

If you're doing a 221 (d)(4) with substantial rehabilitation at the EA level of review, then you will need to do a noise calculation in HEROS. So the August webinar has a lot more detail about noise and includes a lot of information about documenting noise in HEROS. The Clean Air Act screen starts out easy enough. The first question is about scope of work. So you can see that further compliance is needed only for FHA projects that are new construction or conversion of land use. If yes, the next step is to check the EPA green book to see if the county is nonattainment or maintenance status for any criteria pollutant. And if yes, marks the criteria pollutant.

Next, you need to input the de minimis emissions level. You can get this information from EPA's conformity thresholds or by contacting the air quality district. So far so good you can see in this example there is particulate matter that is out of compliance. Question 4 is where things get confusing. HEROS asks you to estimate the emissions level for your project. But this is rarely needed. We recommend you leave this blank or put a placeholder. Here you see zero. Instead, reach out to the local air quality district to determine if further compliance steps are needed. In most cases, the answer for HUD projects is no.

So you would put your compliance determination and how you arrived at this conclusion in the compliance determination box. Again, as a partner, this is a recommendation and HUD comes in and makes the final determination. So you can see the partner notes. And then make sure to upload correspondence with the air quality district. HUD maintains a HEROS frequently asked questions page. We're going to show you a link to it at the end and questions about the Clean Air Act screen are in the FAQs.

Liz mentioned already the housing requirement screen. This is a special HEROS screen just for housing projects. And it captures housing with lead-based paints, radon, asbestos, and additional nuisance and hazard requirements. You should follow the prompts and upload documentation for each topic, and then describe any mitigation requirements in the stand-alone mitigation box you see here in the middle of the screen. This would include post-construction radon testing or any mitigation for these issues during construction. This information will populate the HEROS mitigation and measure screen, which is critical for tracking and resolving required mitigation.

The final and often misstep on the screen is the compliance determination summary. And it's actually short changed again in our webinar because you can only see a little bit of it at the bottom of your screen. But the information from this box is what will show up on the related laws and authorities summary page. If you leave it blank, it will auto-populate as "see appendix" which is very common and not helpful. What we want to see here is a summary of the compliance status for all of the housing requirements on the screen.

Now we're going to go to our third poll question. And remember you can go to menti.com and use the code at the top of your screen. And the question is, as a third-party provider, you determine that a proposed project will require the eight-step decision making process because the proposed site contains a

floodplain. What should you do? A, complete the eight-step process and upload the documentation into HEROS; B, prepare draft language and recommendations for each of the eight steps for HUD; C, complete steps one through six including the early public notice so that HUD can complete the final notice; and D, HUD should complete the eight-step, so upload only the flood map into HEROS. The poll is now open.

Michelle Grainger: The poll is now closed -- 9 respondents selected A; 28 selected B; 14 selected C; and 11 selected B.

Sara Jensen: Okay. So a range of responses. Thank you, everyone, for participating. The correct answer is B. We want you to prepare draft language and recommendations for each of the eight steps, but not publish either notice until you have coordinated with HUD. It's also not helpful, D, to provide the map and nothing else. HUD will look to our partners for information about past splitting, evacuation routes, alternatives, and other parts of the analysis. So again, we did a whole webinar on this, and the link to it is at the end of our slides. So Liz is now going to talk about environmental assessment.

Liz Zepeda: All right. Thanks. When you're dealing with an environmental assessment, or EA -- any project involving new construction, substantial rehab that doesn't conform to a categorical exclusion or demolition -- you'll also need to comply with NEPA in addition to all those other laws and authorities. When that's the case, HEROS will present you with a few extra screens to provide HUD with the background documentation and the analysis we need to make a finding of no significant impact.

Most of the analysis will go on this EA factors screen. And EA will always analyze the project's impacts on land development, socioeconomic factors, community facilities and services, and natural features. And there are sub categories within each of those larger categories to consider and discuss as well. Really want to keep your proposed project in mind when you're working on this. For example, if you're looking at a housing project that's designed for housing families, you should focus a lot on access to schools, parks, and recreation; whereas a project designed to have seniors might instead focus on health care and social services.

For each factor to consider, you'll need to select an impact code and describe the potential impacts of the project on that factor. The top of the screen describes all of what we're looking for here. The right most column is where you'll enter any mitigation measures, if any, that are required to address any potential concerns with any of these factors. So if you don't have any mitigation that's required, please just leave this blank. Don't enter NA or not required. We'll come back to why that is in a few slides. But please leave it blank.

If you're struggling with any of this, we have a page on HUD Exchange filled with resources and information on how to evaluate the EA factors and other aspects of environmental assessment. We have more to come here soon. We've been working on some more detailed guidance on the EA analysis for a while that will hopefully go live in the near future. And you may know about the updated NEPA regulations coming out of the White House Council on Environmental Quality. We'll have to be making some adjustments and providing more guidance on that as well.

If you indicate that a project requires an EA, you'll get this project justification screen even before you get to the related laws and authorities. This really sets the tone for the rest of the analysis. The statement of purpose and need provides a framework for environmental decision making, and really should be the overall project design. And then in existing conditions and trends, we're looking for a description of the existing physical conditions of the project area, as well as character features and resources of the project area and its surrounding, and how they're evolving.

This should identify any trends that are likely to continue in the absence of the project. We want to know what the goals of the project are and how it will affect the area. Sometimes we get questions about this. My hope is that these are issues that project planners have already really given a lot of thought to by the time we get to the environmental review stage. So hopefully, there are already documents and wording that might be helpful here. I would hope that you could pull this from something in existence. But these are really important questions to be asking when you're evaluating a project.

Something we didn't get to earlier is time-outs in HEROS and the importance of saving your work. The EA factor screen is a really long screen. And HEROS will time you out after 20 minutes of inactivity. Unfortunately, inactivity does include typing. So you want to keep an eye on this. We have been making adjustments to this screen to make it faster, to add new feed button, to fix bugs. So we're working on making sure that you're not losing your work on this screen. But please make sure you're pressing save as often as you can think of. And if you get this pop-up, move around, make sure the system doesn't lose track of you.

All right. Now we've got poll question 4. So let's go back to menti.com and use our code. In this one, we want you to take the perspective of a HUD employee who is taking the environmental review over for a partner user -- a housing staff member reviewing the documents that a partner user has entered into HEROS. You disagree with the third-party provider's conclusions about several environmental assessment factors.

Which should you not do? A, edit the environmental assessment factor screen yourself; B, assign the review back to the third-party provider for revision; C, ask the field environmental officer for their opinion; or D, defer to the third-party provider because they're the experts. Remember here what we're looking for is which of these options would not be appropriate. The poll is now open, and you have 30 seconds to answer the question.

Michelle Grainger: The poll is now closed -- 32 respondents selected A; 6 respondents selected B; no selection of C; and 24 respondents selected D. A had our highest response rate.

Liz Zepeda: Okay. Thank you. That's interesting. The correct answer is actually D. HUD staff are definitely always welcome and encouraged to edit any screens themselves. There are a lot of screens. Most screens HUD staff are required to edit themselves. A is incorrect because that's part of HUD's job. What we don't want HUD staff to do is just to always defer to the third-party provider because if [inaudible] a lot is HUD's document, we are legally required to independently evaluate everything the third-party provider gives us and make sure we agree with it. So we should be free to second guess those conclusions. That's our legal responsibility.

They could also assign review back to the third party so that they can make provisions themselves. And as you all realize, it's probably never a bad idea to ask the field environmental officer for their opinion. Okay. Now we're running low on time. We're in the homestretch to mitigation. When you get to the end of your analysis, HEROS is going to compile all the required mitigation measures for you. These don't come from that last question on the screen that only HUD can respond to, but your specific responses within the body of each screen. So you will see mitigation measures compiling just from your work as a partner.

This is what you'll see on the mitigation measures and conditions screen. Without projects that indicated that didn't require more compliance and mitigation for flood insurance, floodplain management, noise abatement, and housing requirements, specifically radon. And the system varies on how these work. For flood insurance, if you indicated that flood insurance was required, HEROS automatically generates

language that is not program specific, which can be a problem. For others, it will show text that the user entered into the individual screen.

And if you see something like an A or not required, that means you've done something wrong -- either entered NA into a location that should have been left blank, or entered NA in a location where your responses indicated that mitigation actually was required. If you do see any issues, you want to revise any of this, use the links on the left to navigate back to the screen they came from and make any corrections.

Here we've removed those extraneous things. If you see anything that's missing, there's also an option to add mitigation measures and conditions here. One example of where you might want to add your own mitigation measures is for ORCF 232 projects that require flood insurance. Because that program has some additional flood insurance requirements that go beyond the statutory minimums, we want to make sure that the environmental review includes those ORCF standards, and not the default language.

Our acceptable separation distance standards on explosive and flammable hazards are another area where you might need to supplement the regulation as program-specific investigation requirement. And keep in mind that all of these are just proposals that HUD is going to confirm. It's HUD's document. HUD has to edit this. But the more detailed your proposals are the better. At the bottom of the screen, you'll be asked for a mitigation plan to explain how the mitigation measures will be carried out and confirmed. In a really good mitigation plan, you'd include who is responsible for each measure and when each measure is going to be completed.

So here we have distinct requirements -- prior to initial endorsement, prior to final endorsement, and after final endorsement. This slide just gives some examples of acceptable and unacceptable mitigation measures -- construction will avoid impacts to bats is not acceptable. What we need there is information on specific steps that will be taken to avoid those impacts. We also need to make sure that there's concrete action -- not something that you think will happen, like receiving a CLOMA. If you're waiting on that, that means the environmental review isn't complete. It's not ready to be signed off.

It's important that we have all these mitigation measures on this screen. That helps us keep track of every mitigation measure and condition. All of these need to be communicated clearly to applicants, detailed in agreements, and followed up after the environmental review is completed. Anything that goes in the mitigation measures and conditions screen will be pulled into a separate screen that HUD staff will use to follow up and confirm when mitigation has been completed.

Let's go over this really quickly. It's a question we get a lot -- what the difference is between a mitigation measure and a mitigation plan. Basically, a mitigation measure is what you're going to do, how you're going to do it. A mitigation plan is who is going to do it and when. And you can review these examples.

Next, we've got our last poll question. I'm trying to move really quickly. Our last question is how does HUD follow up on mitigation measures in HEROS? A, HUD follows up on mitigation outside of the HEROS system because once HEROS is signed by the approving official, the record is sealed; B, lenders and third parties must enter a mitigation follow-up information; or C, HUD staff must enter mitigation follow-up in a specific HEROS screen? The poll is now open.

Michelle Grainger: The poll is now closed -- 13 respondents selected A; 10 respondents selected B; and 29 respondents selected C.

Liz Zepeda: All right. Thank you. Great work. C was correct. HUD staff will enter mitigation follow-up. So those of you who selected A, we do want to note that the record is never sealed. Environmental reviews are living documents. We can always go back in and reevaluate things, add things, and of course, follow up on mitigation. So you should now be seeing the leaderboard and see how everyone did on the poll. Thank you so much for those who participated. I thought that was fun. But you should be seeing the results on the leaderboard. Okay.

So this is that screen in HEROS that HUD staff will use to follow up on mitigation measures. As a partner user, you would not be able to see this screen. But it will appear on the side menu, and HUD staff will use it to upload documents, enter any comments, estimate the cost incurred, and finally, mark each mitigation measure complete. And now I'll pass it back to Sara to talk about assigning review.

Sara Jensen: Okay. Thanks, Liz. And we are at about the 2:30 mark. So just to let everyone know, we're going to cover how to do assignments in HEROS. Then we'll talk about troubleshooting and resources. And then we'll have a few minutes at the end for questions. If you need to leave, this is being recorded and you can come back and catch the end when it's posted. Or we'd love to have you stay as we talk about these other topics if you have time. So let's go through, quickly, assigning reviews. Okay.

The last screen that you'll see as a partner is the prepare notification screen. We strongly recommend generating the environmental review record document to review your work. You can also share this document with lenders who do not have access to HEROS. When you're satisfied with the environmental review, it's time to assign it to HUD. You do this by selected assign review at the top of the left menu in red. HUD does not have a preference on whether a consultant or lender assigns the HEROS review. Just set up a process that works for you.

Where do you assign the review? The answers are in the partner's HEROS guidance that Liz just talked about extensively. We have links to those on this slide. So for multifamily, there are contacts listed by region. For ORCF, all reviews go through one person currently. So check the guidance to make sure you have the latest information.

When you assign it, both you and your assignee will receive a HEROS email notification. For multifamily, we do recommend checking outside of HEROS to confirm the recipient is available to receive your review before you send it. For ORCF, they have an internal system to reassign reviews. And since they all go to a single person, they ask that you please do not reach out to the HEROS contact.

If you assign to the wrong person or the assignee is on vacation, you will need to get someone with HEROS admin privileges to reassign the review. But luckily, all multifamily technical branch chiefs and many ORCF staff have these privileges. So it's not hard. One quirk -- Liz mentioned this already -- but one quirk of HEROS is that HUD staff can see reviews by third parties in the system before they are assigned. But housing's policy is not to review or inspect these documents until you officially assign them to us.

Here's what the assign review screen looks like. You can search by first and last name. And you'll see a list of people that meet the criteria. Only people registered for HEROS access will show up in the search. So you then select the correct name. And you can add comments before you press assign at the bottom of the screen. Keep in mind that all comments will be permanently attached to the assignment history. You can see here how they save in the system. This issue has largely been resolved, but if there is an issue with assignment, here is a work-around. And then, again, this repeats where you can go if you need to reassign a review.

So Liz mentioned already archiving. We want to make sure that everyone knows that HEROS environmental review records are posted for public review. Housing does this after it issues a firm commitment. And as was mentioned, the environmental review records have always been public documents. But the HEROS system just makes this a little more transparent. Liz, will you close us out with troubleshooting and resources?

Liz Zepeda: All right. Thanks. This one has a couple of areas that consistently trip people up. So we wanted to highlight them. One issue is file name. A file name that HEROS doesn't like can really cause a shocking number of problems. So we want to make sure that your file names do not have any special characters, including anything listed here, that will cause problems down the road and confuse the system. So please make sure your file names are descriptive in letters and numbers, and not in special characters.

Our recommended browser for HEROS remains Internet Explorer. We know that that is fairly out of date, but if something is going wrong in HEROS and you're not using Internet Explorer, a good first step is to try it [inaudible] see if it works any better. Personally, I do most of my HEROS use in Google Chrome and it's fine. But you will from time to time see issues that pop up in other browsers. So that's always a good place to check.

Officially, our hours are that HEROS along with all of the IDIS systems that HUD has is available Mondays through Saturdays from 7:00 a.m. to 10:00 p.m. Eastern Time. It's available on Federal holidays, but not on Sundays. That's when you'll generally see updates to this system. So please try to avoid getting yourself in a position where you need to use it on a Sunday.

We just had a new release. This slide has an error. It's actually the 11/21 release. But it was deployed on Friday the 11th. There are a few minor improvements to the EA factor screen that will improve functionality there. Basically, if you're copying and pasting from another document, it will now remove all of your special characters to avoid any bugs or weirdness that can cause in the system. So this should improve the overall function of that environmental assessment factor screen.

We've got a few things in the works we wanted to highlight. We're working on a troubleshooting guide, some quick guides on user access, and a how-to video on how to use your access form for those of you who don't yet have HEROS access. And getting into all those resources, we have a whole series of webinars and how-to videos aimed at various audiences and programs, frequently asked questions, ask a question which I'll show in a few slides, and our user guide. We also have a whole lot more environmental review information generally on HUD Exchange at that last link on this page.

These are our frequently asked questions. We try to keep them pretty updated. As Sara mentioned, this is where you could find information on how to complete the Clean Air Act screen. So if you're not sure what to do in here, this is a good first step for -- a kind of up-to-the minute casual guidance on how to manage things that go wrong. Ask a question is a good second step. This is a tool you can use to submit questions about HEROS to our team in headquarters, and they will provide you with an answer when they can. It can be a little bit slower than the FAQs, but you'll get a more hands-on assistance from our staff.

Next, we have WISER. This is a self-guided learning tool with information on all aspects of HUD's environmental reviews, including all of these different environmental laws and authorities. It's a really great training opportunity if you're still working on some of these laws and authorities. And now I'll turn it back to Sara.

Sara Jensen: Thanks, Liz. There's also a housing environmental web page that includes links to program guidance. You'll find lots of information related to FHA and environmental reviews here. And as you can see, there is a specific HEROS tab with links to lots of FHA and housing-specific HEROS guidance.

We've talked a lot about past webinars today. This is the final webinar of our Fiscal Year 20 FHA Environmental Topics Webinar Series. Here are links to all the past ones -- lots of information. If you haven't taken a look at those, we recommend that you do. And the recording, slides, and Q&A responses are all posted at these links. And this one will be too. And we're beginning the final stages of plans for webinars for next year. And topics under consideration include an overview of the new map requirements, a webinar on the Section 106 delegation to lenders, and a webinar on radon requirements. So stay tuned for more information.

And now we are at the end of our prepared materials. And we will spend a few minutes on Q&As. If you have a question, go ahead and type it in now. And, Liz, there's one question that I can tackle. The question is, can you speak a little bit about environmental review requirements for HUD-subsidized projects speaking to rehab, but not using FHA's financing? So I'm thinking that this means project-based rental assistance under housing. And, yes. There is specific program guidance.

When you're doing a renewal with capital repairs, for example, there's specific environmental guidance. And it essentially points you to the map guide. So it's basically the same requirements. The review needs to be done in HEROS. And if your question is about a different type of project, you can reach out to your program contacts for more specific information.

Liz Zepeda: Thanks. Another one that I wanted to make sure we got to, are partners and responsible entities the same thing? And, no. It's important that we be clear on that. And apologies, but it wasn't. This webinar is focused on Part 50, environmental reviews, and responsible entities are not involved in Part 50 review. Partners are there to assist HUD with our Part 50.

Under Part 58, the responsible entity would be the equivalent to HUD. So you could have a partner working to assist a responsible entity. And the relationship would be roughly the same. You would just be replacing every mention I had of HUD with the responsible entity. So I hope that helps.

Sara Jensen: Here's a question. Can we talk about the amount of detail in mitigation plans? And is there any specific guidance for mitigation measures or mitigation measure plans?

Liz Zepeda: That's a good question. I don't think we have any specific guidance on that. It's something we've trained people up more on recently. I wouldn't say that as a partner you need to feel responsible to provide the level of detail that we did in our example. So you don't need to say what the HUD staff are going to do and at what stage of the process. That's just kind of to show you what we're going for with that.

The mitigation plan is a required field. So you'll have to put something there. But it could be a general recommendation to HUD about maybe the appropriate players and appropriate milestones for when mitigation measures and conditions would be completed.

Sara Jensen: Okay. Great. And I would add that for the ORCF Program, there is specific language for common mitigation issues. So when you're working with the ORCF 232 Program, there is guidance available. And I think that this was a great question. And this might be something we want to put on our work plan.

Liz Zepeda: I agree.

Sara Jensen: A question came in on the chat. If everyone could please make sure to put their questions in the Q&A so that we make sure we capture them. A question came in on the chat about HUD performing the eight steps. Consultants have been completing these for some time now and have been consulting with HUD for all public notices. Is this a change? Liz, do you want to clarify a little bit about what we were saying there?

Liz Zepeda: Yeah. Sorry about that. Basically, as with every other stage in this process, HUD is the party that's really supposed to be making the decisions and making the findings. So when it comes to the eight-step decision-making process, it's virtually all decisions. So the difference between what a consultant should be doing and what HUD should be doing is just that we're making the final decisions. I do see eight steps where a consultant says, we're rejecting this alternative, or this isn't feasible. Those decisions really should be made by HUD.

The public notices are the ones where it's most critical that you should not be publishing any public notices without having HUD's involvement ahead of time. We need to be the ones writing that public notice. It's a little subtle, but consultants should be only providing HUD with the information we need to make those decisions, and HUD should be making the decisions. Sara, do you have anything to add there?

Sara Jensen: No. I think that's good. I'm seeing we're going to get cut off in two minutes. There are a couple more questions. One is specifically about CROMRs and one is about the programmatic agreements. And I'm going to point you to the FHA training webinars that we did already. The answers are there. You can get your answer there. And then there's a question about are the slides available to download? And I wanted to ask Michelle if you could post the link one more time in the chat for anyone that might have come on late. And they will be posted when this webinar is recorded and posted online.

So I think we should end here, Liz, so we don't get cut off. And I just want to thank everyone for attending, especially those of you that stuck with us this extra 15 minutes. And you can continue to type questions in the chat even after we sign off for about 5 or 10 minutes. Michelle, anything to close us out?

Michelle Grainger: No. I think we have our questions. And I've included a link to the materials where attendees can view that later. But we will keep the line open for about one minute or so. And then we will be ending the webinar. Thank you so much for joining us.

Liz Zepeda: Thanks, everybody.

(END)