

# **Public Housing Repositioning: Wednesday Webinar Series**

## **Environmental Review Procedures - 4/14/21**

Caila Prendergast: Okay. Looks like we are right at the top of the hour. So I am going to go ahead and kick us off with a few logistics.

Thanks, everyone, for joining today. If you've joined one of these Wednesday webinars in the past, same rules. Just going over these for those who may be joining us for the first time.

Hey, Kathy, can you go on mute, please? Okay. I think we are sounding good. Kathy, can you hear me? There we go. Okay. Sorry about that.

So, again, thanks for joining today's installment of the Wednesday webinar series. As you all know, today we'll be discussing environmental reviews for public housing repositioning. And my name is Caila Prendergast and I'm one of your hosts for today.

Before Dan introduces the session, I just have a few housekeeping items, as I mentioned. So our speakers will share their knowledge for the first part of the presentation, and we'll reserve any remaining time for questions.

There's two ways that people usually ask questions. One is to type your question in the chat box, and I'll read it out loud. The second way is to ask your question out loud. You can either use the hand shaped icon to, in a sense, raise your hand, or you can send me a note in the chat saying you'd like to ask a question out loud and I can unmute your line.

All participants are muted upon entry. Sometimes WebEx does glitch, and it will unmute participants. So just triple-check that you're muted so that we can avoid any feedbacking issues in that regard.

The session is being recorded and will be available on HUD Exchange shortly following the webinar. Usually takes around one to two weeks to just check back on the Wednesday webinar page on how to change, and that recording will be there eventually.

And then, finally, immediately following the webinar, you'll get sort of a pop up on your screen. It should pop up in your browser, an invitation to complete a survey from today's webinar. We ask that you please complete this with any feedback that you might have for us.

We have a question on there for ideas for future Wednesday webinars. And we really do look at those and find them really helpful. I think, if I'm not mistaken, this webinar, was a suggestion from a former attendee. So we definitely do look at those and are looking for all your suggestions.

And with that, I think I've covered everything, and I'll go ahead and pass it to Dan to kick us off.

Dan Esterling: Okay. Thanks, Caila. Next slide, please.

Welcome, everyone. My name is Dan Esterling. Thanks to all of you who have joined before and for our new listeners here on our Wednesday webinar series. The presenters today are going to be Kara Williams-Kief from the Office of Recapitalizations. She's a branch chief there, and Justin Gray, who is one of our environmental officers in the Office of Public Housing Investments. Next slide.

And before I dive into the slide, I just want to say that this is -- I'm going to acknowledge right up front for all the listeners, this is a challenging topic. And so we're going to try to get some good main points across. And we also want to use this session -- the slides in this session as a reference for folks that are listening.

This is -- I'll just say anecdotally, I've learned about environmental reviews a few times in my career, and I always have to go back to references. It's just not something that naturally sticks to folks. But we're going to try to get over the -- get across the main points for what you as a PHA needs to know.

So, generally, why we're here. This webinar series has been diving in -- deeper into various repositioning topics. And this one is going to focus on the environmental review requirements related to any non-RAD, so Section 18, Section 22, or RAD repositioning actions.

So spoiler alert in terms of understanding the requirements. You're going to hear this multiple times today. An environmental review is always required if you're doing repositioning. So you'll hear that probably over and over again today.

And we're also going to explore the different environmental review requirements for non-RAD and RAD transactions and the timing around them and what the housing authority needs to provide and prepare as part of those and how you as a housing authority can plan for these environmental review requirements. Next slide, please.

And then just to orient folks and as Caila mentioned, these are all archived. I think the preservation strategies one is up on the web too. So all of our previous sessions are recorded and available for your viewing.

Our next session, which I think will probably get into in either May or June, is going to be working with the developer, which is another suggested topic from our listeners. So thanks very much for that suggestion. We'll get that up on the exchange soon for registration.

And I think with that, I'm turning it over to Justin. Go ahead, Justin.

Justin Gray: Great. Thanks, Dan. Yeah. And as kind of Dan alluded, we've actually done two-day workshops on this subject. So we're going to put in a lot of information here. Good news is at the end, there's a lot of links and resources. If you want to dive deeper, you want to learn more, there's a lot of resources there to call upon.

The other thing I think -- just in preparing for this that I think was sort of interesting is, if you look at the previous webinar topics, these are essentially presenting things that HUD wrote, explaining the notice, explaining the reg, explaining processes that we, HUD, created.

What's -- what you're going to see in this one is we're basically -- these are other laws and statutes that apply to our projects. And so it's a little bit different than presenting something you wrote and you're -- you can be the explainer. You can be the decider. This is a little bit more -- it involves a lot of different things.

It's an interdisciplinary, as we get into it when we look at these related laws and authorities. So it can be a initially intimidating topic, but hopefully this presentation will help give you the basics, let you plan ahead for it.

So these are the things we're going to talk about. Yeah. Dan mentioned the bullet number two. It's always required. So if you're doing a RAD repositioning, it's required. If you're doing a non-RAD repositioning and you're working with the SAC, it's required. And we'll explain the different levels, but it's always a component of the application.

So we'll look at the roles, look at some of the timing, and then we are just calling out some of these topics that have come up in questions before and trying to answer them and give best practices.

So this slide is meant to just kind of orient the people in the process, and I think most of the attendees, either are a PHA staff or maybe a consultant working with the PHA or maybe HUD field office staff or different HUD staff. And so this kind of puts you into the different processes and roles.

If you're with the PHA in environmental world, we sometimes call you the grantee. It's just a term that gets used, whether you're a PHA or a multifamily owner or you're working with CPD. We just generally -- you're the grantee. And so you basically start the process.

It's your project and you're the one who initially is creating the project description and essentially scoping out what you want to do. And then you then send it to the next -- the next thing in the flowchart is sort of like the reviewer, and we're going to explain these more deeply but -- in later slides, but the reviewer can be what we call a responsible entity and usually somebody who works in the city or county where you get your building permits from, or it can be a HUD reviewer, a HUD staff that's doing the environmental review.

And then I oriented the field office kind of a little bit closer to the SAC portion of this because they have a little bit more of a role in the SAC repositionings, but they're a little bit like an intermediary. They're the ones you interface with most commonly. They're the ones that can often be the first place to ask questions as well. And in the SAC side, they're filling out like a certification form that becomes part of your disposition application.

And the -- and for recap, it can be a little bit less of a HUD field office involvement. But if you are doing PBV and you have what is called a request for release of funds, then the field office is processing that. And we're going to get into this in later slides, but the timing is a little bit different, if you go SAC non-RAD versus RAD recap. And SAC, it's part of your application, the environmental review -- the completed environmental review.

And then we'll talk about this, but on RAD you can have your concept call, financing plan. Its timing is a little bit different.

So here's just an overall slide. This is kind of telling you not just what why we HUD are doing environmental review but why the -- why we have laws about this, why the federal government, whether your DOD or USDA or whomever, you're doing environmental review.

And we're basically trying to look at the impacts to the environment where we don't want to have harm or negative impacts to either the environment or, in our case, the residents who live in the properties.

And then this last one we'll get into. But the level of review varies depending on the scope of the work.

So all right. Sorry. Skipped a slide. For me, slide eight is not happy.

Caila Prendergast: It looks good on my end, Justin.

Justin Gray: Okay. Great. For whatever reason, I don't see it, but this was the general purpose again. And, basically, why we're doing this analysis of impacts. Help ensure decent, safe, and sanitary. Demonstrates compliance with the related laws and authorities. And it's a public process. This is especially true in what we call environmental assessment level work.

So now, we're at the levels of review. And we're HUD. We use lots of acronyms, but, basically, this organizes all the different activities a PHA might do into these categories of environmental review.

And if you are a PHA that has been doing property management level work at your property, you've been getting your operating fund, your capital fund, maybe you've only been doing things that we consider exempt or not subject to the related laws and authorities. And so that may be what you're used to in working with your responsible entity.

But no repositioning application is that top category. Most all repositioning activities are going to be the second two. And when we say CEST, it's categorical exclusion and that means -- that's from NEPA, but it is subject to the related laws and authorities. And so it's basically saying you're not subject to NEPA, but you are subject to these other related laws and authorities. And we're going to get into those.

And then the next one, environmental assessment level, is you are subject to NEPA. So you're still doing the screening for these related laws and authorities, but you're going to be doing a little bit more of an environmental review.

And to frame it, if you're just doing a disposition, it's probably more likely to be CEST. If you're doing it along with demolition, new construction, redevelopment, that's usually going to place you into more of an environmental assessment level. And it's going to be your HUD reviewer or the responsible entity that determines the level of review.

And then the last one is EIS. This is for the really big projects the federal government does. We at HUD and especially in PHAs, this does not come into play unless you maybe were redeveloping and constructing 3,000 new units, something like that, something on that magnitude.

So this kind of then, if most all repositioning is in these two categories here, I'm just trying to explain a little bit what's different.

The first one, the CEST, you're excluded from NEPA but subject to these other related laws and authorities and it's screening. It often involves what we call a statutory worksheet. But you're basically looking at what your proposed project is and screening it for these related laws and authorities. And when I say your, it's your RE who's doing this or HUD reviewer.

And then the EA is when you're actually looking at more site-specific issues, and we call these NEPA analysis factors or EA factors. And this more has to do with actually the impacts and the development activity that is being proposed.

There's a link here. This is in the PowerPoint. And so there's what are called partner worksheets for all of this. So these are like templates, guides, and very helpful.

So here are those related laws and authorities. And so sometimes you might hear there's 17, and if you say 17, it means you're including NEPA, the top one, the umbrella. But the others are the 16 related laws and authorities.

And if you're in a CEST review, unfortunately, it's not an a la carte kind of thing. You are -- you're subject to all of them. If one of them is triggered, you're subject to all of them. And so it's a screening for all 16.

Just looking at them, you can probably see that some of them don't have a lot of relationship with what PHAs do. I mean, you're doing a disposition. You're trying to convert to PBV. What does that have to do with wild and scenic rivers? What does that have to do with farmland protection?

And so what I will say and will explain later is, you're subject to all of them. But a lot of them wind up being pretty just procedural, a very quick screening, and are not very relevant to PHA activities.

So here's another one. The word project is funny because, okay. So environmental review, the project is the thing you're proposing. That's what -- it's the thing you're doing. I know in PHA world sometimes the project is those buildings or it's just like -- it's an old term that it's in some of our regs and statutes. But when we say project, it's sometimes referred to as the activity.

But the other thing that's kind of weird is we do it at the -- what you might call property level. And in PHAs and HUD, we're used to the asset management projects or the development numbers or development groupings. And that's how you get your capital fund, your operating fund.

But when you're repositioning, you're doing it at property level. It's like -- in the picture, it's that group of eight buildings. That's your project site. That's what's being reviewed for environmental review. And it may be the same thing as your development grouping, but a development could have three different separated project sites. And so that's a distinction.

The other thing, while we're just looking at this, if you had a plan, a repositioning plan, and you were going to in the first phase work on those top four buildings and then you were going to in the second phase work on the bottom four buildings, include it all in your project description. Include it all in your scope.

In the long run, it's going to save you time. We see that as one project. Even though you independently may be sequencing it, it's helpful to group them all together. And we're going to talk about that a bit in later slide.

So here, again, is who's doing the review? And you'll hear words like it's a Part 58 or it's a Part 50 and those are part of our regulations. And the Part 58 means that somebody in your unit of local government -- this could be a city, a county. It's usually the same place you get building permits from, and they're your responsible entity. They're likely the same.

I mean, if you've been doing Part 58 reviews for your annual capital fund, that's your responsible entity. And it's funny because it's -- it technically is a unit of local government. But recently, in reality, you usually think of it as like it's Bob at the city planning department or it's a person that you -- that is your responsible entity and they're usually in city/county government.

The other way is Part 50, and that's a HUD reviewer. This is going to be more relevant in some of the slides that Kara presents on RAD, especially for the PBRA transactions, because most of PHA activities are done in Part 58.

And so most of the applications -- and we encourage that. It's actually a good thing. We want to leverage that local knowledge. Somebody in that city/county office is going to have resources and more awareness than somebody at HUD. So it's a good thing, and we encourage that.

So here's kind of, again, why are we doing this? Why is it even required for a repositioning? Repositioning can be a range of things. It can be just the disposition and the units are -- need H2S. They're in perfect shape. But it's still -- it's -- that disposition is kind of the key. And I'll

explain it a little bit more in later slides, but that is the thing that gets all repositioning to need either a CEST or an EA level review.

And -- but it also could have rehabilitation connected with it. Could be demolition. Could be new construction. Could also end with placement of PBV to that site. And so these are all things that are components or activities or -- and what we want to get across in this presentation is that it's in your best interest to put them all in your project description. Have a really complete project description. That's going to really help get you a complete environmental review and save you time in the long run.

So this -- non-RAD is basically these things, Section 18, Section 22, Section 32. The right side are some of the criteria for these, and in environmental review it doesn't really matter so much it's a Section 22 or it's a Section 32. It's really the activity. And these all involve a disposition. And so that's what's really kicking you into an environmental review.

And so -- because we get a lot of variations of questions. Well, do I need it for a Section 22, or do I need it for a Section 32? And it's -- it doesn't really matter. It's the disposition and then combined with what physical work activities are happening, that's what's going to determine the level of review.

And we do -- what basically happens is you get the really simple ones. It's a streamlined voluntary conversion. It's a -- you're just -- from your perspective, you're just basically moving from Section 9 to Section 8. You're switching platforms. There's no work above maintenance.

And so on these applications, we do get questions like, well, why am I doing this? Why am I -- there's not physical work. And this is the related law that comes into play and National Historic Preservation Act and sometimes it's called Section 106 review because that's what federal actions or grantees follow.

And the basic concern is a property that could be potentially historic or is historic leaving federal protections. And then the disposition -- and I use the word, air quotes, transfer because transfer is the word they use in the National Historic Preservation Act. But it's their word for disposition, that you're leaving a level of federal control. And by leaving, you may be leaving federal protections. And so this is the one that kind of causes all of the repositioning to be CEST or above review.

And then the next question I always get is, but wait. My property is not historic. And usually, what is meant by that is it's not listed on the register. If you go to the Park Service and you scroll down on the National Register, your property is not on there. So often people think, okay. Well, then it's not historic. And all that really means is it's not listed.

And so in Section 106, the review of a potentially eligible National Register property is reviewed with the same treatment as a National Register property. So this, again, kind of confuses people a lot of times because maybe you go about your days and you think historic means that bed and breakfast on Main Street or somewhere George Washington slept. And those might be what you're thinking of.

But, actually, the bottom three pictures are all public housing that is listed on the National Register. And so it's -- this is a -- this is something that is determined by your State Historic Preservation Office, your SHPO. And so your responsible entity or HUD reviewer is coordinating with the SHPO on the application, and they're the ones who will give a concurrence that no historic property is affected, or, in the event that they see one that is potentially eligible, they will -- that will begin some work with the SHPO and seeing that protections can stay in place.

So it's really tricky, but this is the related law that kind of brings a lot of repositioning into environmental review. And it's one -- I'll say it later, but, basically, get out in front of it. This is one that -- this is one of the reasons -- make this part of your planning because, if you're already has to work with the SHPO, they're sending information and they're waiting for their response, so just just plan ahead. Plan early.

So here's another question that -- should I include -- if I'm placing PBV after the repositioning at that same site and should I include it in my project description? And the answer is yes. You should. And -- because that, too, is something that requires environmental review.

So even if you weren't disposing of public housing and you were a PHA that had a PBV program and you were just placing PBV to a new site separate from any disposition, that requires an environmental review. And you may be familiar with your -- maybe sending what's called the request for release of funds to your field office. They're signing something called the authority to use grant funds. And so that is a process that is for PBV.

And so here, again, is -- the big tip is group it all together. If you're doing the disposition and there's going to be PBV, put it all in the same project description. You're very rarely entering a new level of review. So you're just saving time and not having to do a second environmental review.

Here's another word, project aggregation. Same thing I've been kind of stressing, but it's group the project together. A good project description is really key to a good environmental review. And so if you're doing rehab work to make it meet HQS and you're disposing it and you're placing the PBV after the disposition, put that all -- all these related activities in one environmental review, and then they can get one clearance.

This is another big question that comes up a lot, but I'm just selling it. I'm like there's not going to be HUD assistance at the site anymore. Why am I doing environmental review? And, I mean, the answer is actually going back again. It's that transfer out of federal control. It's the historic preservation. But there are things about the regulations that are simpler, if there's not going to be a future HUD assistance to the site.

So what this means is not going to be PBV. There's not going to be -- I don't know -- HOME units or there's no future HUD involved in assistance to the site. You're truly just disposing of it, selling it. Then there are portions of the regulations that do not apply, and they have to do with the site standards.



And then the others, we call them Park 51. And so they're listed here. But noise and separation distance from explosive materials, runway clearance, those are things that we're not trying to screen the site because it's leaving HUD assistance. It's not about a decision to place new HUD assistance.

So here's another really tricky one, scattered site dispositions. And, honestly, they just don't play very nice with environmental review because, if you go back, we're doing the environmental review at project site level, and these are, by definition, often quite scattered.

So we -- the -- in a Part 58, it's going to be the responsible entity that's going to be trying to just logically group them so that hopefully you don't have to do too many separate environmental reviews. And there's not really hard, fast rules, but we generally instruct that you can use the project site at the neighborhood level or just try to group them into as few independent project sites as possible. But yes. These are definitely tricky ones. And they are hard because there's a lot of units, and they're scattered.

Okay. In an environmental review, what's a single-family home? And I mean, this is kind of like -- it's almost funny that we have to ask that question, but, if I own those pictures on the left and I was selling them, I probably in the real estate listing wouldn't say I'm selling these two single family homes. I would say I'm selling a fourplex and a duplex.

But the distinction is really -- it's about, basically, four units or less is an environmental review and actually also in scattered site definition how we talk about single family. And this can come into play in that there are maybe things that the responsible entity may determine that, say, for contamination review, that for these single family or these scattered sites, that using a tool like NEPA Assist -- and there's a link right there -- could be sufficient for doing a screening for contamination.

And what that would mean is then they would not require the applicant, the PHA, the grantee to hire a consultant to do a transaction screen or phase one. And so NEPA Assist is an interesting tool. If you haven't been on it, click on it. You can put your own home in it and look at Brownfield's or different EPA sites that are in proximity.

Okay. This is another question that comes up a lot. What's the known future use? Because, again, we're trying to aggregate. We're trying to group. We're trying to put the whole project together, and this one, it can be tricky. But we're -- these are a few questions that can kind of guide you into thinking, okay. Is that other thing later on connected to this project?

Is it -- yeah. Like the PBV placement is a good example. That's a known future use. You should include it in the project description. Is there already committed funds of some kind to -- you kind of know what's going after the disposition, after the demolition.

Yeah. If you -- if -- in order to meet HQS, you need to do rehab. That would be connected, and you should group them together.

Are there some sort of contracts or plans developed for construction? Are they known? Are they sort of tangible? It's a good idea to include them. You can also -- honestly, if you don't know the number of units going on the site, you should probably put the higher number you might think of. You will still have the same level of environmental review, even if in the end you don't build all of those units.

Another way, I mean, if you were -- if the PHA is selling it and they actually don't know who -- what the future owner is going to do and they don't have any future involvement in it, they're not a partner or affiliate, anything like that, then that I think would count as not known.

All right. So just kind of wrapping up some of the things we've talked about so far. Yes. Dan said it. I've said it a few times. Even what you feel like is a little application, doesn't have much physical work, it's just a disposition, it's just you a streamlined voluntary, they all require environmental review.

It may be at a lower level. It may be a CEST, and even within that level, there's something called a CEST and it converts to exempt. And that might be the lowest level of environmental review in a repositioning.

Your RE or the HUD reviewer are the one who determine the level of review. And then -- yeah - - as said in a few of the slides, we've seen this from experience. It's in your best interest to group the complete project into one environmental review. The -- so, again, it's not a la carte. You don't get to pick the related laws. It's for all the related laws and authorities.

And then here's where, again, if you think about them as 16, over the years a lot of them don't come up as issues. They really are fairly standard kind of check the box things. But there are things that have come up that have been shown to be consequential, and the floodplain review and then also maintaining flood insurance, which is a FEMA requirement in certain areas, has shown itself to be important.

At times the contamination screening has found contamination, and then that would need to be mitigated. And as I said before, the National Historic Preservation Act, that transfer, that leaving of federal control is one that has proven to be -- I mean, it's the main related law why even the lower level of no physical work are reviewed for environmental review.

And so these are ones that have just come up. And I think it's a chance to -- with -- if you think about a repositioning, it's like a -- it's a new decision. It's a new commitment. And a lot of PHA [inaudible] actually were maybe even built or cited before a lot of these related rules and authorities.

And so it's a good moment to screen for these things, even if not all of the related [inaudible] parties make a whole lot of sense to that individual project, but the ones that have been most consequential or are time consuming sometimes.

So I'm going to now transfer it over to Kara who's going to then connect to some of the special RAD considerations.

Kara Williams-Kief: Great. Thanks, Justin. That was awesome. So I know that there was an intro in the beginning. My name is Kara Williams-Kief, and I'm the branch chief in the Office of Recap.

And so we're now going to take a quick shift from the non-RAD repositioning environmental review requirements, and we're going to look at the RAD repositioning environmental review requirements.

And for the most part, the majority of the transactions, what Justin just spoke about in his slides will apply to RAD, but there are some little nuances that we wanted to take the opportunity to point out and explain.

The first one is when a PHA chooses to convert to RAD, they can choose to either convert as a PBV or a PBRA conversion. And, again, just stress what Justin said earlier. Even in RAD, a conversion cannot be a [inaudible]. They will always be a CEST or an EA based on the scope of work.

So RAD conversions come in all different flavors, and the three that I just want to highlight because they are the most common ones that we see are PBRA non-FHA conversion, PBRA FHA conversions, and PBV non-FHA conversions. And just quickly go over the environmental review requirements for each of those and what office is responsible for that review.

So for RAD non-FHA PBRA RAD conversions, they will always be a Part 50 environmental review. So not the Part 58 that Justin had just reviewed. And this review is completed by the RAD transaction manager, or TM, and that is the staff member in the Office of Recap who will be reviewing your RAD financing plan. And so the ultimate approval comes from the Office of Recap.

The RAD FHA PBRA conversion is also a Part 50 environmental review, but that is completely done by and approved by the FHA production team. And recap relies on FHA's approval for the financing plan, ultimately, recap's approval.

And then, finally, there's the PBV non-FHA RAD conversion, and these are Part 58s that are completed by the responsible entity. And Justin just did a great job reviewing all of these requirements, which would apply here.

For the PBV conversions with Part 58, the transaction manager and HUD in itself, we are taking the approval from the responsible entity and relying on that for meeting the environmental review requirements for the financing plan.

And then just something important to highlight, which is different than PHAs converting straight to Part 58 -- to PBV through a Part 58, the Part 58 reviews that recap does, we rely on the FHA MAP Guide. So FHA just released their 2020 MAP Guide, and so all of the guidance and requirements listed in Chapter 9 of the MAP Guide is what our transaction managers follow and rely on when we're doing our reviews.

And that would obviously also go for the FHA production team, if you're doing an FHA RAD conversion.

So we just wanted to take this opportunity to just point out some special considerations when a PHA is deciding to convert to RAD, and the ones that we're going to cover in the next few slides are the timing of environmental review submissions, as Justin sort of mentioned earlier. We're going to talk about streamlined tiered reviews for Part 50s, which RAD allows. We're going to talk about Radon requirements and the RAD Section 18 blends and those environmental review requirements.

So timing considerations. Just to give a really quick high-level milestone map for RAD conversions, whether a PBV or a PBRA, a PHA gets its CHAP [ph] from the Office of Recap. They put together their financing plan, and they put together all of the additional documents that are required for a RAD financing plan.

About 30 days before a PHA wants to submit their financing plan for review, they're going to request a concept call. And during that concept call, it's like a -- it's a very quick -- I guess I should say it's a cursory review of some of the more important documentation that is submitted in your financing plan. Environmental reviews are one of those.

And then if you're invited to submit after your concept call, your financing plan is usually submitted within the next 30 to 60 days. That's just sort of high-level map of how things are sort of moved along the RAD path.

So breaking that down into the environmental review requirements, the Part 50 for a PBRA is required at the time of concept call, so before financing plan, where the Part 58 is due at the financing plan submission.

For Part 50, the PHA is required to have their environmental provider submit it to the RAD transaction manager in HEROS, which is the HUD Environmental Review Online System, which is what multifamily reviews all of the Part 50s in.

For Part 58, the responsible entities are encouraged to submit in HEROS, but they are not required to. And I don't think I've seen one to date submitted in HEROS.

And the Part 50, once the concept call has been had, the RAD transaction managers get a jumpstart on submitting the SHPO and THPO reviews, which Justin just went over, which has a 30-day hold period. So we're trying to get a head start on some of the longer time items.

And for a Part 58 at the financing plan, we just want to see evidence of either the HUD Form 7105.16 or a letter finding of exempt activity from responsible entity. That goes back to what Justin just said, where it's assessed that can convert to exempt.

So why? Why do we have these two different timing considerations? The biggest thing is that, in the past with the Part 50s, we had found many were being submitted with the financing plan, and

they were deficient. And, as Justin had said in his presentation, these items can take time, and these items can be long lead times. And we found that there were many times where conversion timelines were just totally derailed because of something missing or something done not according to the MAP Guide or any various things.

And so we wanted to get a jumpstart, and we wanted to get ahead of any potential issues that can be addressed earlier than later. And in doing so, we were hoping to keep RAD conversions on track and online to convert in a timely manner.

And so we hope that -- the concept call came into play with the RAD Revision Notice 4, and we've seen this work out really well. We've been able to get a head start on things. We've been able to point out where PHAs are deficient. And I think it's been an overall positive impact on RAD conversion.

And so another thing that RAD allows some of the other programs don't is a tiered review, and this is, again, only provided to RAD conversions that are converting to PBRA, so Part 50 reviews.

And these tiered reviews are allowed for conversions that don't have any reasonably foreseeable repairs or activities beyond maintenance as part of their conversion. And we define maintenance as how it's defined in the CPD Notice 16-02.

And so what it is is that HUD has been able to complete a broad-level tiered review that improve -- includes program-wide compliance and determinations, most of those 16 related laws and authorities that Justin went through. So HUD has said, based on the scope of work you're doing and your PBRA, we acknowledge that you don't have to do farmlands, scenic rivers, airports, all of that stuff. But you do have to do five of those related laws and authorities that HUD is still interested in and still needs to screen for.

So it greatly reduces the amount of work that has to be done. And the five related laws and authorities that we are looking for and look into are the Coastal Barrier Resources Act, the flood insurance, floodplain management, contamination, and Section 106, so the historic preservation.

The tiered reviews do require a phase one, or you can also submit a transaction screen. So there is an opportunity here in some cases where a PHA doesn't have to engage an environmental provider to complete a very in-depth review. A lot of this information could be easily done by A PHA. So we were hoping to lessen the burden for PHAs that meet this criteria.

And there's another, I think, to some people, a benefit, which is the fact in streamlined tiered reviews, although we do call out that RAD projects require the Section 1060 review, we were able to work with HUD's OEE, HUD's Office of Environment and Energy.

And we were able to draft a determination memo that was able to exempt RAD conversions that were converting, again, to PBRA, so Part 50 reviews, that weren't doing any work. We were able to get them an exemption from having to do Section 106 at the time of RAD conversion.

So what that does is right there, it also cuts down an additional 30 days on a tiered review by not having to wait for the response period of a SHPO or THPO review.

What it doesn't do is it doesn't allow the PHA to get out from ever having to do a future Section 106 review. So any future action that would be a demo, new construction, substantial rehab, any ground disturbance would at that time in the future require a Section 106 review.

And recap has a special condition that we put in your RAD conversion commitment which points this out, and it's a living document. So at any point in the future, if any of those actions are taken, you are no longer exempt from 106 reviews. You still have to do it.

So it's a balancing act. On the front end, it saves you some time, but on the back end it might be a pain to do it. So it's just up to the PHA to determine whether you want to just do it now, get it out of the way and not have to worry about in the future, or have this always out there and something that will have to be done in the future.

The next thing that RAD also requires is Radon testing, and this is also new to revision 4. And it requires that all PBRA and PBV conversions undergo Radon testing. And so the chart here is a quick snap of what we look for and what we request from PHAs when they're submitting their environmental reviews.

So for Part 58 PBVs, if you're doing rehab or any kind of demo, you either have to have a statement from your RE saying that they considered Radon and they did so according to all the local and state requirements. If the RE cannot provide that, then the PHA has to follow Chapter 9 of the MAP Guide and all of the Radon requirements that are contained in that chapter.

For Part 58 PBVs that are not doing any work or nothing above that maintenance definition and that CPD notice I referenced in the previous slides, the project is encouraged but not required at this time to submit a Radon report. And I say at this time because this is actually specifically being reviewed right now by some folks in the Recap Office and OEE and we're just talking about it.

The new 2020 FHA MAP Guide removed all exemptions. So whether it's a Part 50 non-FHA or a Part 50 FHA, all scenarios, rehab, demo, no work, all require a Radon report that's consistent with Chapter 9 of the 2020 MAP Guide.

The next special consideration are RAD and Section 18 blends, and this is for blends only. So if you're taking a Section 18 action separately from RAD, this does not apply. This is one that both of them are combined.

In these scenarios a separate environmental review record is not required when a PHA is converting using one of the RAD Section 18 blends. The SAC relies on recap's review and approval of the environmental review. Just like recap relies on FHA for their review and approval, the SAC will do the same here.

It's super important to remember in your project description to include both activities, the activities that are covered under RAD, the activities that are covered under the Section 18 units, the scope of work for all of them. You just want to have it be a very inclusive project description.

And so for the most part, because Section 18 -- the TPV that you have from Section 18 will ultimately be PBV, they can't be PBRAs at this time due to legislation. For the most part, PHAs choose to do PBV RAD units and PBV Section 18 units. And in that scenario, the RE will complete the Part 58 for that whole project, for the RAD and the Section 18 units.

There are a few instances where the PHA does want to split it and so they will have PBRA RAD units and then the Section 18 units will be PBV. In that case a Part 50 will be done, and that will be handled by the recap transaction manager.

So, again, just to stress, you don't have to do two environmental reviews for these blends. So, again, it's trying to streamline and make the review process more efficient for both offices.

And so that wraps up the special considerations for RAD environmental reviews. And so Justin and I just want to go through some of the resources that are available for PHAs and help their environmental reviews. I think Justin is going to kick it off first.

Justin Gray: Thanks, Kara. Yeah. So we know this is a confusing topic. So this is maybe one of the most important parts of the presentation because this is going to be available to you. These are the places you can go to look for more information.

And the top one is sort of the landing page for HUD Environmental Review. And good news. If you're on this call, it means you're already aware of HUD Exchange because you're registered. And so that's the landing site that gets you to all the different environmental review resources, one of which is the next one, the environmental contacts.

This is going to explain to you your -- the field office staff level that are subject matter experts in environmental review. It's also going to have what are called field environmental officers, FESs, and regional environmental officers, REOs. And they're -- they work in CPD, but they are the sort of overarching experts in the regions on environmental review.

And so it's also -- I mean, I like good hard questions, but I work at the program level. And so it's really good to just start locally with your questions. That's your first resource. And then, if it gets to the point where it can't be answered at the field or regional level and it's truly a policy question, then it usually will find its way to us at headquarters.

But they have more information. They're closer to the project. These are the contacts that start with. And, usually, if you're a PHA, you start with your rep or your portfolio management specialist in your field office, and then they can then guide you to the next questions.

The next one is a webinar on demand that's just on Part 58. So you can look that over.

The last one on the bottom there are a series of on-demand training modules that go through Part 50, Part 58, and all of the related laws and authorities. And so if you find yourself, you're so interested by this and you say, okay, what if I can have 20 hours of on-demand module training? Well, it's right there. It's free. You can be the -- you can become your agency's expert. And so that's a really good resource. So next slide.

And then this is another one that I think it's a very well written PIH notice. It has a lot of good information. This is the overall implementation of environmental review for public housing. And so this is not just about repositioning. This is explaining it in the context of all the work that is done with formula funds.

And the other really helpful thing is -- because sometimes you can be in these presentations and you can hear, it's always required for a disposition or it's always required for repositioning. And you can start to think, wait. If I buy the toner for the copier, do I have to do environmental review, or if I mow the lawn and -- I mean, the answer is no. You don't have to do it for those.

And this is a really helpful notice, and, specifically, there's an appendix in it that lists all of these typical work items that PHAs do with their capital fund and their operating fund that do not require an environmental review. And so that's a very helpful resource.

Yeah. I mean, if you're hiring a consultant to help you with the repositioning, that action is not requiring of an environmental review.

I mentioned it earlier, but these partner worksheets are a really good place to start, if you are preparing some of the documents for your responsible entity, and they do kind of just walk you through the related laws and authorities. And then, likewise, if it's an EA level, there's the EA factors.

The last one is -- it's an online system that essentially replicates the previous paper process for environmental reviews. And it's kind of like -- I don't know. People call it like the Turbo Tax kind of model. But it's all -- it's an online system.

And what I will say about it is, if you are in a community where you have a responsible entity that is an entitlement community -- so what that means is they get CDBG funds from our CPD partners -- they're already using HEROS. They're -- that already is most likely already using it for their CPD grantees. And so you can -- on HUD Exchange, you can sign up to be a user.

And so if you're -- if you have an RE that is not an entitlement community and they are not on HEROS, then it doesn't make a whole lot of sense for you to be on HEROS. But for the ones that the RE is already using it, I've heard good reports that it's very helpful, especially in moments like now that things start moving through the mail. And it's like a drop box that you can just share files and get things processed. So it's a very helpful system.

So the next will be more RAD resources.



Kara Williams-Kief: Yeah. Also, with RAD, obviously, we're going to point you to our RAD notices. So within the RAD notices, we do have sections on the different environmental review requirements.

We also separately have a RAD Environmental Review Guide, which is up on the RAD Resource Desk and I believe it's a public document. So you don't need Resource Desk access. And that goes into much more depth and detail on the items that were discussed today, plus some other items. So that's always a really good resource to go to when you decide to convert to RAD and you want to start getting your environmental review stuff together. Definitely take a look at that guidance.

And then we also have the streamlined tiered review. Does deviate a bit. It is done on HEROS but it requires a specific paper submission beforehand and so it's also published on the HUD Exchange and it's pretty self-explanatory. But if that's something that a PHA is interested in, they can go ahead and pull that up and start looking at what's required and what questions are being asked.

So that concludes everything. So I think we're open for questions?

Caila Prendergast: Okay. Let's dive right in. We've got some -- a good little list that came in during the presentation. And yeah. Just keep sending them in, folks. Just a reminder, you can send them in the chat and I can read them out loud, or you can let me know through raising your hand, using the hand shaped icon in the right-hand navigation panel, or by putting me a note in the chat that you'd like to ask your question out loud if you have a lot of detail or specifics that you want to share.

So first question, "If a property is listed on the National Register, does it automatically prohibit any further actions like RAD or Section 18?"

Justin Gray: This is Justin, and others can join. My answer would be no. It doesn't prohibit it, but that is something that is going to involve SHPO consultation. And so they're going to want to probably see that there are protections put in place, maybe a covenant or maybe it'll will be a MOA. And so it's not a -- it's not a hard stop no, but that is likely going to be a more involved SHPO coordination and consultation.

Kara Williams-Kief: Yeah. This is Kara. Same for RAD. We've had a handful where that has come up during the consultation period. And, again, it's not -- it doesn't stop or preclude anything. It just requires a good amount of extra work and a good amount of extra time onto the conversion schedule.

Caila Prendergast: Okay. Great. "Just to clarify, our scattered sites in one asset management amp considered a project?"

Justin Gray: So this is Justin again. No. But your -- I mean, I guess in theory it's plausible, if they're all in a clear neighborhood and the RE determines that. But most typically, no, because they are scattered. And so they don't have the same environmental conditions.

You think of things like, if you're pretty far away from one property, you're not going to have maybe the same flood map considerations or -- yeah. So it's tricky, but we look to the responsible entity to try to group them into as few as possible. But it's not typically going to -- I can't imagine it being just one.

Kara Williams-Kief: And that's the same for RAD as well. Although, because there are other sort of program requirements with RAD, if you do have a scattered site, we just recommend that the PHA reach out earlier than later to make sure that the groupings are -- that work for our program as well as work for any kind of environmental review. But we also follow the same guidance of logical groupings, if possible.

Caila Prendergast: Okay. Thanks. The next question, "We have some properties that are owned by our nonprofit arm that we are looking to dispose of. Since there is no HUD funding to this site currently, is it correct that these would not require an environmental review?"

Justin Gray: So this is Justin. I would probably -- this is the kind of one where I would want to really kind of know what all the facts are and the background. But if the property was previously PHA or if there's a declaration of trust that this one gets into a little bit more of the -- I mean, if it's truly not owned by the PHA and never has been and never has received any funds, there's never been ACC units, I mean, sounds like no. But that would be one that I would start with your field office.

If needed, get the field environmental officer involved involved. And if -- yeah. If you need to, we could look into it more. But I think that's one that we'd want to actually -- I find that these -- when it's asked like that, it -- there's usually something more to it. And so this is why it's important to get it involved in the local level, the RE, the field office, figure out what it is.

Caila Prendergast: Okay. Thanks. Okay. I'm going to group a few questions related to Radon testing.

So the first question is, "Is this test not required yet?" And then the second question is, " Are there any exceptions to Radon testing under RAD?"

Kara Williams-Kief: Under RAD, the -- at the moment, the only exception that we have is for CBD RAD conversions that are doing no work or nothing above maintenance. If the PHA is converting as a PBRA and they'll be doing a Part 50, it follows the MAP guidelines with -- and, currently, the new 2020 MAP guidelines took out the exemptions that were previously there. So the PHA would have to follow that.

And what was the first one? I missed the first question or the first part of that question.

Caila Prendergast: Yeah. So the first part of the question was just wanting to confirm -- the question says, "Is the test for Radon not required yet?" And just wanted some clarification there.

Kara Williams-Kief: All -- it's required.

Caila Prendergast: Okay. So great. Thanks.

Justin Gray: Could I add really quick on the Radon too?

Caila Prendergast: Yeah. Sure.

Justin Gray: So, again, if you're on the SAC side of things, you're the -- it's a non-RAD. It is not a straight requirement. And, actually, if you think about it, what's good about RAD is they can be a demonstration. We as a program can learn from the demonstration. And so it's a good place to look into that more.

But you may still have your responsible entity decide that Radon on testing is appropriate. And, usually, they will be looking at state maps, [inaudible], the soil composition, what zone you're in, and things like that.

But so you're -- it's not a requirement on the non-RAD side. But it does come up, and it can be something that the responsible entity decides is appropriate.

And then stepping back more just broadly, we do have a PIH notice 2013-06 that is basically an encouragement and a recommendation for Radon testing throughout the process just of if it's required in an environmental review. And that's really just kind of like, if you're in an area and there's risks, it's just kind of being a good property manager, a good landlord. It's a good practice and something to be aware of.

Caila Prendergast: Okay. Great. Thanks. And just want to remind the panelists to try to be on mute when you're not talking because I did hear a little bit of feedback during Justin's answer there.

Next question, "Can you say again which of the Section 18 blends require which ER?" Or no. Section 18 blends require which ER? Excuse me.

Kara Williams-Kief: Sure. Sorry about that. Do you want -- I can go back to the slide, if that's helpful. Yeah. The slide was a little wonky, but so yeah.

So if you are -- if the PHA is doing a mix of PBRA RAD units and PBV Section 18 units, then the --it'll be a Part 50 and the recap transaction manager would be doing the review. If everything is PBV, so PBV RAD units PBV Section 18 units, the responsible entity will be doing it as a Part 50.

Caila Prendergast: Okay. Perfect. Thank you. Next question, "Should all activities in the physical needs assessment for the full 20 years be included in the project description, even items that may or may not end up happening in the last few years of the pro forma?"

Kara Williams-Kief: In the project description?

Caila Prendergast: Yes. Project description.

Kara Williams-Kief: Sure. So I can do it for RAD, and I'm not sure if it would differ too much for Justin. But we're really concerned with the actions that are happening at conversion. So we're not -- the environmental review isn't necessarily taking into account the capital needs that you're doing within your 20-year schedule for a RAD conversion. The review is really on what you're doing at that time of conversion.

When we ask for the PHA to sort of think ahead is with the tiered reviews where we don't want to do a tiered review if you -- if the PHA knows in a year they're going to apply for 9 percent tax credits or 4 percent tax credits and in 18 months do a substantial rehab. So -- but other than that, we -- we're trying to capture all of the activities that are occurring at conversion.

Justin Gray: And this is Justin. I can answer a little bit for the non-RAD. No. I would not expect that every activity in that should be in the project description. I think more in terms of like getting back to that, what is known? Is there something kind of on the books? Have there been plans started? Is it truly associated with this repositioning?

But the other way to conceptually think about it is, if you're a PHA and you get formula funds and you've been used to, every time you do rehab you, it's part of your project description, it gets an environmental review, it's good for five years. That's your -- that's the cycle you're you're familiar with. But if you are moving out of Section 9 and you're moving into a PBV platform, the PBV is a one-time environmental review.

It's about the placement of that PBV to the site. It's something you do before the AHAP or the HAP. But then down the line years later, you need to rehab that property. That is not an environmental review anymore. It's not -- it's no longer Section 9. You're not getting formula funds.

And so I hope that maybe helps the answer.

Caila Prendergast: Great. Thank you both. The next question, this is another one related to the Radon survey.

"So the MAP Guide requirement of 100 percent Radon survey of all ground floor units have proven difficult in New York City. The requirement seems excessive, and while prior reliance on the ETA's map was inadequate, have you considered amending the standard to allow for lower percentages and lower risk zones?"

Kara Williams-Kief: No. For the RAD conversions with the new 2020 MAP guidelines, we are following the FHA's requirements for that 100 percent of ground floor sampling. We haven't put forth any discussion on altering that or lessening that at this point.

Justin Gray: And I would just say for the non-RAD repositioning, we don't follow the MAP Guide. That's a multifamily guidebook.

Caila Prendergast: Okay. Thanks. "If a PHA plans to convert under RAD PBRA without rehab, but the PCMA calls out critical repairs, can the PHA do a streamlined ER?"

Kara Williams-Kief: The streamlined -- the tiered environmental review? As long as it's a PBRA converting under a Part 50 and when we review the scope of work of the conversion, which could be just critical repairs, and if those don't exceed the definition of maintenance, then yes. They can definitely go ahead and do a streamlined tiered environmental review.

At the concept call, they'll just want to sort of flag that for the transaction manager, since it's sort of outside of our normal review at concept call. Just something to flag for their TM.

Caila Prendergast: Okay. Thanks, Kara. Next question. "So Part 58 reviews are generally good for five years. Does this mean that if a property or units are now going to be converted under RAD and a Part 58 CEST was completed for the property in question for capital fund scope project description, can the RE update the CEST off of the review done to complete the Public Housing Cap Fund CEST? "

And we might need to unmute and get some more details there. But let me know if you have any questions, Kara and Justin.

Justin Gray: Yeah. And Justin. I can try. So I think, generally, the answer is going to be no, because if you kind of think back to the presentation here, the review is for that project description, that scope. And the five-year reviews that are done for the capital fund do not traditionally include the repositioning in them.

I guess in theory, I mean, if there truly is a project description and a scope that explains that repositioning and what's associated with it, then yes. That could potentially be the same review. But that has not been our experience. It's usually not contemplated in those reviews, which are more about the formula funds. And so it most commonly would be expected that it would need its own independent review with a project description of that repositioning action.

Kara Williams-Kief: Yeah. I agree with Jeff.

Caila Prendergast: Okay. Sounds good. "On the PBV projects doing Part 58, when you select a concept call button, it indicates that the ER needs to be completed before the concept call is requested. Will the field office know that it is not needed until the financing plan is submitted?"

Kara Williams-Kief: Yeah. So for the Part 58, that is -- it's a little wonky with the Resource Desk and it's something that's sort of the tickler of trying to update, although it's a little tricky.

But -- so what we recommend that, if you -- for the concept call, if the Part 58 is still being under -- is still under review or you're still waiting for the field office, just to -- in the financing plan, just upload a quick statement from the PHA saying that the RE started X date. We anticipate having X, Y, Z on this date and will be -- and the financing plan won't be submitted without it.

And so that placeholder will be enough to clear it on the concept call checklist, if that makes sense. For people who haven't seen the concept call, that probably makes absolutely no sense, but if you have seen the concept call checklist, that should be able to clear it.

Caila Prendergast: Okay. Thanks, Kara. Next up, "Could you talk for a moment about expiration of ERs both under RAD and Section 18? Also, when an ER is done for a multiphase development under RAD for the entire state, what kind of updates would be required for the later phases?"

Kara Williams-Kief: Sure. I can handle the RAD one. So for multiphase. So if you are doing a multiphase PBRA Part 50, we strongly recommend doing the entire Part 50 up front all at once.

So your project description would include every phase. It would include all the funding for each phase. It will include all the actions for each phase. It will be a pretty hefty project description, but if you do it that way, the recap is able to approve the whole project up front.

So when you move on to phase two, phase three, phase four, as long as the project descriptions haven't changed, you don't need to redo any of the environmental reviews. So your Section 106 will be done on the whole site. All of those big lead time items can be accomplished up front.

If there is a change in project description, we are able to go into HEROS and amend things as needed and document it. But for the most part in the multiphases we've done like that, it's worked out pretty well and it's been pretty clean for all the future phases.

For RAD, similarly, we -- on the HEROS report, environmental records are all good for five years. We request a transaction screen. If you want to use an environmental report or phase one that's older than five years, we want a transaction screen just to make sure that we're capturing any contamination that might have happened within that time span.

But -- and we like our phase -- when you're converting, we prefer to see phase ones that are -- that have been completed within one year, just to make sure that there hasn't been any -- nothing has happened within a huge span of time that could hurt the project site.

Justin Gray: Pretty similar answers, but for non-RAD, yeah. Generally, five years, and the key is really has the scope changed? Has the project description really changed? And, I mean, if it says we plan to build 50 units on the site and it turns out it's 500, that's that's a different scope. So that would -- expectation would be a new review.

But, yeah. Just I would include multiphases in one. It's in your best interest. It's still rarely going to change the level of review. It wouldn't -- it would just be still an EA, if it was a new construction. And so, yeah. I would try to include as much as you can. If there's new funding that comes in, that can be pretty simple, if the RE can just do a review of supplemental assistance, and this happens when maybe there's HOME funds and public housing.

And -- but, again, it's more about if there's big scope changes, that's what would maybe initiate a new review.

Caila Prendergast: Okay. Great. Next up, "Are we not allowed to use a tiered review process for Part 58 scattered site reviews?"

I: So you're allowed to, in a sense that -- so tiering basically makes sense for RAD because they're doing it under Part 50, and so there's not a -- there's not a tiering per se in Part 58. But if you go back to the 16 related laws and authorities, most of them are fairly perfunctory.

So we're not officially calling it a tiering process, but these REs that are familiar with the statutory worksheets, it's not a complicated. It's a very quick review and screening of maybe 12 of those related laws.

And so it's not tiering. Tiering doesn't work well for Part 58, but it doesn't mean that conceptually that the same thing isn't already done efficiently.

Suzanne: Hi. This is Suzanne. I don't know if you can hear me.

Caila Prendergast: Justin, this is for you.

Suzanne: Oh, great.

Justin Gray: Yes.

Suzanne: Thank you, Justin, for -- let me just add one thing. So the reason also that a tiered review wouldn't be useful for the scattered sites is that those scattered sites are already known. They know the addresses, and they know the properties. So the responsible entity would be able to review them since they're known.

A tiered review will be useful if there were sites that hadn't been identified yet. And in that case, a tiered review could be used. But since the sites are already known, there would be no time savings in doing a tiered review in that case. That's just what I wanted to add. Thank you.

Caila Prendergast: Awesome. Thank you, team. Next up, "Can REs under Part 58 use the HUD memo determination of no potential to cause effect under Section 106 of the National Historic Preservation Act and its implementing regulations 36 CFR Part 800 for multi-family housing, Section 223(F) projects that do not exceed maintenance, or is it only applicable for Part 50?"

I know that was a mouthful. So let me know if you need me to repeat anything.

Justin Gray: No. The REs don't use that memo, and that's -- again, that's kind of built for the Part 50 EBRA.

Caila Prendergast: Okay. Thanks. Next up, "I have five buildings with 32 units, three duplexes and one sixplex scattered throughout the city. How many ER are needed? I am doing Section 18 only. No RAD. No construction. No rehab."

Justin Gray: Hard to say. I mean, the RE will hopefully logically group them. I forget what the numbers were there, but hopefully as few independent reviews as needed.

Caila Prendergast: Okay. Thanks. The next -- another question on the MAP guidance, "Is the MAP guidance a document used for FHA insured mortgages? If so, would you explain how it is related to PAH in general and in RAD -- in a RAD transaction specifically?"

Kara Williams-Kief: Sure. Yeah. So the MAP Guide is what FHA uses when the production team and multifamily underwrites the FHA insured mortgages. It is -- it only applies to RAD conversions that are applying to convert to PBRA and will be doing Part 50.

So if a PHA is converting to PBV and doing the Part 58, they don't have to worry about it. The -- we follow the MAP Guide because it is the leading document within multi-family project-based Section 8 in reviewing environmental review guides. CBD uses it. FHA uses it.

So because we were a demonstration program and we originally just needed guidance and sort of a template to follow, we fell into step with the FHA guidance, and it has worked really well and has meshed really well with our RAD conversions. So that -- so that's just a little back story. And when it's -- when it applies to RAD. So only PBRAs.

Justin Gray: So yeah. Echoing that PBV and non-RAD repositioning does not follow the MAP Guide. For those who haven't heard of it, this is a Multifamily Accelerated Processing guide. I think it's like 500 pages or so. But the -- there is something called Chapter 9, which is well done environmental requirements.

So it's like a -- if a PHA wants to like, hey, we want to do Radon testing. Is there somewhere we can look for testing percentages or protocols? We may say, hey, you can look at the MAP Guide for a best practice. But that's very different from saying you need to follow the MAP Guide because it's for commercial underwriting, which is different than a lot of PHA properties and activities.

Caila Prendergast: Okay. Next question, "I may have missed this, but how far ahead of submission to HUD can we do a review?"

Justin Gray: I would say, technically, I guess, I mean, if it's good for five years and the scope doesn't change, you can do it pretty early. But I think just it's more get out in front of it. I think maybe -- I don't know -- six months before the application would be good timing, something like that. Depends on how involved you think it's going to be.

Kara Williams-Kief: Yeah. And the same for HUD. We say early on -- the earlier the better. So after CHAP, once you have sort of a firm understanding of what your scope is going to be, probably after you get your CNA back and you see what capital needs you have to complete



within the first year, I think that's probably the best point when you should start thinking about getting the RE involved or, if it's a Part 50, an environmental provider involved.

Again, sort of echoing what Justin said, just to get ahead of some of the bigger items, especially if a PHA hasn't done an environmental review on a site. Sometimes things can pop up that are unexpected.

Cathy: Yeah. And this is Cathy from the staff. We generally like to see the environmental review be done within the year of submission of the SAC application, just in the event anything on the property has changed. So yeah. Even though it might be technically good for five years, our practice is to request them with -- having them done within the year.

Justin Gray: Yeah. And, Cathy, this is something that, if you're doing the other things like, say you're working with your resident advisory board or you're working with your local executive and you're just kind of putting together the other supporting materials, that's kind of a good time to also be doing this would be a good practice.

Cathy: Yeah. Absolutely. And remember with the SAC applications, they have to -- the environmental review has to contemplate the known future use. So if you do the environmental review five years before the demo dispo application is submitted, your future use isn't going to be as known probably as it is closer within that one-year period.

So another reason why we want you to wait kind of closer to the submission of the SAC application and while you're doing all the other consultations on the actual action is you'll have a better formulated plan for the known future use.

Caila Prendergast: Okay. Thanks. The next question, "Typically, what level of review is required to dispose of vacant land with restrictive covenants?"

Female: So I'll let Justin answer that environmental perspective. From the SAC perspective, whether it's units or vacant land, if it's being disposed under Section 18, the requirements of 970.13 apply. And it's the same process that Justin so nicely explained in this call about the environmental review. I don't know if you have anything else to add on vacant land, Justin.

Justin Gray: Yeah. I mean, I -- just broadly speaking, first off, I really -- we don't determine levels of review. It's not my role. It's done by the responsible entity or the HUD reviewer, and they're taking in all the information. So I find that things -- there's usually things you'd want to understand before you sort of dictate it's going to be this level of review. But, I mean, simply put, I would expect it might be a CEST, but, I guess, that's what my assumed level.

Caila Prendergast: Okay. Thanks. So we got a good number of questions left. So let's keep going. We've got about 30 minutes left in our session time.

So next question, "We get a lot of questions as to whether the -- whether an ER completed for use of cap funds for a project can be used for Section 18 scattered sites dispo or RAD conversions."

Justin Gray: Yeah. This is similar to, I think, an earlier one. No. I mean, and I think basically it has to do with the project, the description and, I -- again, so in theory, if the cap fund processing truly described that repositioning activity and that full scope, then yes. But that is not typically what we see, because those are done for the formula funding and they're about the rehab level, working on the properties.

So if the idea is, I have something on my capital fund and it's within the last five years, can I submit this, my expectation is no, because it's not going to have been reviewed for that project scope.

Kara Williams-Kief: Yeah. And for RAD, the trigger is the conversion of assistance, and so if it's a project that is PBV but is converting under RAD as a PBV, the conversion is what triggers it, as well as the scope of work and everything. So we would recommend and sort of push for them these new submissions.

Caila Prendergast: Perfect. Thank you. "For a Section 18 demo of a development to be rebuilt with [inaudible], is Radon testing of the old units required?"

Justin Gray: Generally, I would say no. But, again, I want to just be clear. At least in the PBV world and the non-RAD repositioning, we don't follow the MAP Guide. We're not requiring testing. We want to rely upon the responsible entity and, hopefully, they're closer to their county Department of Health or their State Department of Health. They have awareness of the geology and the soil composition and the risks associated.

But, conceptually, it would make more sense to be -- well, we're learning as we go, but it comes from the soil. And so I think really what you want to be doing is, if you're in an area that has higher concentrations, you want to incorporate Radon resistant new construction in the new units. And so that's -- it comes from cracks in the concrete or in the foundations or in the floor. And so I don't want to give a hard and fast total answer, but we would rely on the RE, and I think it would be more logical to incorporate in the new construction.

Kara Williams-Kief: Yeah. And we've seen on the RAD side also just there are a number of housing finance agencies that allocate the tax credits that are now requiring Radon resistant construction and testing and all of that. So I think as you're going into it, it may not be a function of HUD requiring it but just be aware that it may be a requirement of your allocating agency.

Justin Gray: Yeah. That's a good -- and that's a good point. I mean, there's 20 or so states that have rules about Radon resistant construction. And so it could be just a function of the state. And just as a broad thing, as I'm learning about this as well, I think it's just a good practice to include Radon resistant new construction. It doesn't, from what I've read, really add a lot of cost. And new construction seems like the right time to do it.

Caila Prendergast: All right. Next question, "Do all repositioning applications have a request for release of funds and a field office signing and authority to use grant funds?"

Justin Gray: Yeah. That's a really good question. No. But yeah. That is what people become most familiar with. But you could be -- getting back to our acronyms, if you are a CEST, so you're not subject to NEPA but you are subject to the related laws and authorities, your RE could then be working on the statutory worksheet and then the project does what we call converts to exempt.

And then if that's the case, no. There is not a request for release of funds. They basically notify the grantee, you. PHA, it can even be an email that says, we've completed our review. And that is your -- that the end of your review. And then the field office in their certification form, usually they're checking it off and writing the AGF or RF was sent this date. But there's another checkoff box that can be if it converts to exempt. So yeah. The answer is no.

Caila Prendergast: Great. Next up, "Do all repositioning applications need to hire an ASTM consultant to prepare a phase one environmental site assessment or ASTM transaction screen?"

Justin Gray: Again, this one's a no. So that is -- so ASTM, I don't even remember what it stands for, but I think there's something in the slides. But this is something that the commercial underwriting industry has become familiar with. It's become a standard. Definitely, we've talked about the MAP Guide, 223 projects, maybe tax credit projects.

It's kind of the understood thing in those transactions. But it's not meant for single family. It's -- multifamily is considered commercial. And so, again, if we think about some of the really simpler, at least non-RAD repositioning, like you're moving platforms on those scattered sites or you're working with single family homes, I would expect that the RE could look at that tool that I mentioned, like the website NEPA Assist, and just do a screening based on that.

And then that would not require hiring a professional to prepare a ASTM transaction screen or phase one per site. But if you're doing an EA level and you're doing new construction or there's some sort of financing or closing, it's expected you're probably going to have consultants including a phase one.

Kara Williams-Kief: Yeah. And for RAD PBRA conversions, again, because we do follow the MAP Guide, there are the ANS [inaudible] there and requirements for your phase one provider, as well as your Radon providers, those that are testing lead-based paint and stuff. They all have to have certifications, but the MAP Guide sort of outlines. But that's the only case for RAD.

Caila Prendergast: Thank you. "In Section 18, do the use of proceeds get environmental review?"

Justin Gray: So this one, it's they can. So it would be the use of proceeds are considered federal funds. And so -- but, again, it kind of -- if you think back to the training, it's really about what the activity that's being done with the funds. So they are -- if you -- there's a link in there to the PIH Notice 2016-22, and if what you're doing with those proceed funds are activities that are listed in that Appendix A, then no. It's not required.

But if what you're doing with the proceeds is building new Section 9 units or doing major rehab, then those are activities that require an environmental review. So it kind of has more to do with - it's less about the flavor of the funding and more about the actual activity.

Caila Prendergast: Okay. Thank you. Next up, "Does the PHA or consultant send the document to the State Historic Preservation Office?"

Justin Gray: So this one's a no. So the SHPOs and also the Tribal Historic Preservation Office, the THPOs, the one who communicates, coordinates, sends them information in a Part 58 which is the responsible entity. And then in a Part 50 review, it's the HUD reviewer. And so that's who contacts and coordinates with SHPO.

Kara Williams-Kief: Yes. Yeah. And so for RAD, it's the RAD transaction manager reaches out to the SHPO or THPO office.

Caila Prendergast: Okay. Thank you. And we got a comment that -- sort of in response to your query, Justin. "ASTM is now ASTM International and formerly stood for American Society for Testing and Materials." So thanks for that.

I think this is our last question. Oh, no. We've got two more. So I guess speak now or forever hold your peace. Any more questions? We have about 15 minutes left.

"So can a PHA provide its environmental review for annual capital funds as the environmental review for the disposition?"

Justin Gray: Yeah. So I think -- I mean, I think this is kind of the third one, but this is why -- actually, this comes up a lot. This is a big question. And, hopefully, that's a contribution that this [inaudible] make.

But no. Unless it's in the rare case where the full scope of that repositioning disposition activity is fully explained in that capital fund for that project site, which is not typically what it is. So they don't translate to each other. It's usually going to involve a new review for that actual project scope, which is the repositioning.

Caila Prendergast: Okay. Thanks. Then the last one, "Is it required to hire a consultant to prepare and manage the environmental review?"

Justin Gray: No. And it sometimes becomes the norm when it is like an environmental assessment level, it's a redevelopment. There's going to be a lot of document preparation that is often typical or the phase one or there -- somebody is going to help you manage it. So that definitely happens.

But the simpler CEST level reviews, the simpler dispositions, our hope is that we can have a process that the grantee and their RE can complete it without hiring a consultant. There might be situations where the RE then determines, hey, I am asking for Radon testing. And then you

would hire somebody for that, or you do need to do a phase one screening and then you do need to procure and hire somebody for that.

But in terms of the process and the paperwork and the management of it, there is no requirement for that.

Kara Williams-Kief: Again, for RAD PBRA conversion, because you have to follow the MAP Guide, there are those requirements. So an environmental provider is required. We also for PBRA RAD conversions, like we said in the earlier slides, all have to be submitted through that HEROS system.

And we -- although we've had PHAs submit it themselves, it doesn't go well. So we recommend having an environmental provider that has experience doing HUD reviews, FHA reviews, and has experience working within the HEROS system just to help save on time and money and back and forth.

Caila Prendergast: Okay. That was our last question. I'll pass it over to Dan to close us out.

Dan Esterling: Can you hear me now?

Caila Prendergast: Yes.

Dan Esterling: Okay. Yeah. No. Thanks, everybody, for joining, and this -- Caila is going to shoot out that survey to you all, if she hasn't done so already. We really do take your suggestions and feedback and comments very seriously and try to improve our sessions to you every time.

And thanks, everybody, for participating. One slide that's not up there, if you have any questions following this, feel free to shoot a note to [repositioning@hud.gov](mailto:repositioning@hud.gov), and I'll route you to the right place.

Caila Prendergast: Thanks again, and thanks for joining. And just another -- a reminder that the survey should pop up on your screen at the end. So keep a look out for that, and thanks again. Enjoy the rest of your Wednesday.

Kara Williams-Kief: Great. Thank you, everyone.

Justin Gray: Thank you.

(END)