Ben Sturm: Thank you for joining us on today's webinar on the Multifamily FHA partner kickoff for HEROS. My name is Ben Sturm, and I work with the Cloudburst Group. We are joined today by Tom Bernaciak and Sara Jensen of HUD's Office of Housing, as well as Liz Zepeda, Lauen McNamara, and Lauren Hayes of the Office of Environment and Energy.

Before we get started, I would like to share a couple of housekeeping notes regarding today's session. This webinar is scheduled for 90 minutes. However, there is a change that the session could run longer if needed. We also expecting a large number of view-in attendant, so all lines are needed. This session will be recorded, and all materials have been provided to you via email and are also available in the WebEx suite.

If you look at your WebEx control panel on the right-hand side of your screen, please take note of the following. Also, the control panel may be located at the top of your screen for some of you. If you're looking at the control panel on the top of your screen, you'll see a button that says "return" that will take you to the main WebEx control panel.

For audio settings, if you're currently using your phone settings but you would like to change your audio settings from phone to computer, please be sure to click on the quick start menu on the top left of your WebEx screen and then go to the audio conference section. Be sure to switch the selection from phone to computer audio.

For the chat pod, which is located on the right-hand side of your screen, be sure to select "change to default from host" to "host presenter and panelist." This will be found in the dropdown menu underneath the chat section. For the Q&A pod, all questions should be submitted through the question pod. By default, this pod is not automatically selected. So please now take the time to locate and click on the Q&A pod so that it's added to your screen. You can add the Q&A pod by looking for the Q&A icon, which is either at the top middle of your screen or the top right-hand side of your screen if you're in the Cisco WebEx Training Center app. Just by clicking on the icon should add the Q&A pod to your control panel.

We will be stopping throughout today's session to answer questions that are submitted through the Q&A pod. So please submit your questions as you are thinking about them and we'll respond to them when appropriate. If we're not able to get to all of your questions today, you can go ahead and submit them through the HUD Exchange Ask A Question Helpdesk for Environmental Reviews. If you're having technical issues related to audio or screensharing, please also submit those questions through the Q&A pod on the control panel as well.

Following today's webinar, we will be sending out a brief survey to gather your feedback and input for our future sessions. You'll receive that through

an email from HEROS.ER@CloudburstGroup.com. I would now like to turn today's presentation over to Tom Bernaciak.

Tom Bernaciak: Thanks, Ben. And good afternoon, everyone. I'd like to join Sara Jensen, Liz Zepeda, and of course, Ben Sturm in welcoming you to the kickoff for the HEROS Partner Rollout Training. As you will see in the next couple of hours, there's been an enormous amount of work completed by the HEROS team in developing these instructional slides. That actually there's even more work in order to make the necessary modifications in the HEROS system to permit industry partners directly input environmental information concerning a site proposed for mortgage insurance into HEROS. Specifically, this modification to directly input information by industry partners will shift the primary responsibility of uploading information from HUD staff, thereby saving time in reviewing and processing loan applications. At the same time, and as you will see in the presentation, HUD staff remains legally responsible for environmental determinations and the communication pathways between partners, program staff, environmental field officers all remain in place.

And Sara will—as you know, and as Sara will mention and Liz will reiterate during the call, the HEROS for Multifamily will be available for use for both multifamily immediately. That's today, May 30, and we hope that you all will take advantage of this unique opportunity. I hope that you'll listen carefully to what is being presented, remain engaged, and participate in a Q&A post-presentation. Thank you for attending and good luck. Sara, off to you.

Sara Jensen: Thank you, Tom, and good morning and good afternoon to everyone on the call. Great to be here with you. As you can see, we have a full agenda today. So we'll dive right in. We're going to explain why we do environmental reviews. Liz will give a detailed overview of HEROS and how to conduct environmental reviews in HEROS, and then we'll end with some links to tools and resources. And speaking of tools and resources, Ben, I wonder if you can just direct us to where the slides are posted in the WebEx environment.

Ben Sturm: Hi, Sara. So we sent a—I may have misspoken earlier. We sent the tools out through email to all registered participants. So if you did not receive the tools, you can just submit in the Q&A pod that you don't have the materials, and we will follow-up with you through direct email and get those materials to you directly.

Sara Jensen: Oh, great. Thank you for clarifying that. So those of you that want can open up those slides and follow along and take notes. And you'll also have these later as a resource. So let's dive right in. We have a lot to cover.

We want to just start by just explaining why we conduct these environmental reviews. So one reason is that it helps ensure that HUD projects meet HUD's mission of providing decent, safe, and sanitary housing. Another reason is that the National Environmental Policy Act, or NEPA, requires each agency to adopt a systemic approach to decision-making that considers

environmental issues.

HUD's requirements when HUD staff complete reviews, are laid out in 24CFR Part 50. And there are 17 federal environmental laws and authorities that make up the review. Some of the laws consider the impact of the proposed project on the surrounding environment. For example, will the parking lot pave over a wetland? Or will the project trample a nesting bird habitat? And some consider the impact of the environmental on the project. So if the project is going to be right next to the interstate, that will have noise impact on residents. Or if it's on a former industrial site, we want to consider the toxic hazards and make sure there's no pathway to our residents. Multifamily FHA has additional environmental requirements in the chapter nine of the MAP Guide, and RAD also has its own environmental guidance.

Let's go to the next slide. One of the key parts about NEPA is that it requires that there be an environmental review record for every project or mortgage insurance project. And that environmental review record documents HUD's determination and all of the backup documentation that goes into making this determination. So for example, MAP emails with agencies, photograph, site plans—everything that goes into that environmental review record. One other aspect of NEPA is that the public has the right to review the environmental review record, and that's something that HEROS addresses. And HUD requires that all projects use correct format. In the past, we had a paper form called the HUD 41-28, and now we have HEROS, an online environmental review system. And for the last couple of years, Multifamily staff and RAD staff have been completing reviews in that HEROS online system.

So what is the role of you, our partners? You have a really important role. So for both RAD and Multifamily FHA, we rely on you to prepare the supporting documentation that we need to complete the environmental reviews. And Liz, if you could go to the next slide? Thank you. So we rely on you heavily, and you are our partners in this truly.

HUD staff must independently evaluate the work that you submit, and certify, and make the findings in the environmental review. We also supplement, correct, ask for additional information if needed. Some aspects of the environmental review can only be completed by HUD. So I'm highlighted right now "contacting tribes." That must be done from HUD, not by a consultant. And there are a few other areas that Liz will be talking about throughout the presentation.

The key to all of this is that it's really a collaborative effort. So we need to be working together. And the earlier we start and the earlier that you, our partners, can highlight potential environmental issues on the proposed site, the smoother the environmental review will go. And another thing that's really helpful is—and I think HEROS—we all believe that HEROS will help—it will walk you through and explain what is the documentation that we need in order to complete our review on the HUD side. So we're very excited to be opening HEROS up to our partners, and we believe this will

streamline the environmental review process.

And with that, I would like to turn it over to Liz Zepeda to give a HEROS overview.

Liz Zepeda: Thank you, Sara. So what is HEROS? HEROS is a relatively new system. It might be time to stop saying it's new. It's been used for about four years. And when we designed it, our goal was to standardize the environmental review requirements and formats across all HUD programs and regions. So we're replacing our program specific formats, like the 41-28, with a single system that works for every HUD project across all silos.

HEROS was also designed to provide guidance throughout the environmental review process. So instead of asking you to go to our regulations and go to our program guidance, HEROS provides a little more instruction on how to actually prepare an environmental review and comply with all applicable environmental review requirements. So you'll see there are still some hiccups when it comes to partner users. The guidance especially, tends to be more targeted towards HUD staff and responsible entity users. So you do all have to be a little more on your toes and make some tweaks, but we think that the system is ready for you to get started and start using HEROS today.

So this slide just gives you kind of a preview of how HEROS looks before we get to the details so you have a sense of what's coming. So various HEROS screens take you from selecting the sources that have assistance to the findings of projects, determining the level of review, complying and documenting compliance with all required environmental laws and authorities, and for environmental assessments, the additional analysis that goes into complying with NEPA.

So since early 2014, we've been making HEROS available to one program, one type of user at a time so that we can focus on training each program, and each user, and addressing their individual needs. So as Sara mentioned, HUD staff, and RAD, and FHA Multifamily have been using HEROS for a couple of years to do all of their environmental reviews. So now they are very ready to welcome you all into HEROS to help them out and cut out some of the extra paperwork that we've been doing before partners were allowed to use HEROS directly. So we made some improvements to the system last year, and we fixed one last remaining bug just last week, and now we're finally ready for you all to start using it.

So you can start using HEROS now to assist with Part 50 environmental reviews for both RAD and FHA Multifamily production environmental reviews. If you applied for HEROS access, you should be getting an email with your login ID and password so that you'll be able to access HEROS right away. You should be getting that email hopefully today or tomorrow. If you're not sure if you have this email, check your inbox for something titled "Welcome To HEROS," is usually how it comes in. It usually takes us about two weeks to process access requests, except in cases like this one where we

were targeting a specific date. So if you just requested access, please be patient. And there are also a few access requests that kind of got lost in some sort of shuffle. So some of you already requested it, but we're not going to be ready just today. So if you don't get your email for another week or two, don't panic. You're probably just one of the ones that got lost, and I apologize for the delay there. But if it's longer than that, then follow-up with us. If you haven't yet requested HEROS access, and you're watching this live, listening to me live, you can email Linda Albrow or Rita Simmons, I think, to get registered.

We're working on a standardized form that will be going on our website hopefully very soon. So if you're watching this recording later on, please check our HEROS website on the HUD Exchange. There's a link coming, and that will tell you how to register. Sara, does that all check out for you?

Sara Jensen: Yes, that's right. So all of you should have received an email from HUD that explains how to register, and there's an Excel form to fill out and send to Linda Albrow or Rita Simmons. And if you have any questions or need more information, you can always write to me, Sara.Jensen@HUD.gov.

Liz Zepeda: Thank you. Sorry for a bit of craziness. So we have a little fun for us when we get started with a brand new group of users. There's always some new bumps in the road.

So as of today, these are the only two HUD programs that are ready to work with partner users in HEROS. So do not start off any environmental reviews in HEROS for any other HUD program, including health care, or hospital programs, public housing, or CPD programs. We intend to have separate rollouts to CPD and public housing programs later this year, and there will be a separate rollout and training process associated with those programs when they're ready. So if you're watching this from the future, check for those. Any information on those rollouts will be posted on our website, and any forthcoming webinars will be posted on the environmental review training page on the HUD Exchange.

So these are the major parties involved in completed a Part 50 review for Multifamily and RAD. As Sara said, HUD is the party that's legally responsible for completing the environmental review. And the HUD preparer is the person who conducts the review for HUD. So for FHA Multifamily, that's the underwriters and appraisers. For RAD, that's the transaction manager.

Next, we have the partners who assist the HUD preparer. These include third party consultants and constrictors, public housing authorities, and applicants. So we rely on partners to provide project information and a lot of the initial analysis and documentation to facilitate HUD's review.

And finally, we have environmental clearance officers. In addition to providing training and helping HUD preparers work through difficult or

confusing projects, environmental clearance officers are also required to review and comment on all Part 50 environmental assessments affected 200 or more units or beds. That's an extra step on those types of projects. And environmental clearance officers include field environmental officers, regional environmental officers, and program environmental clearance officers, which for these programs, it's Sara.

There are four basic user roles in HEROS, each with different associated privileges. So two of those will only come up for Part 58 reviews, and that's responsible entities and state agencies. So we're not going to worry about those today. I'm just going to give some very quick background for those of you who aren't familiar with the terms Part 50 and Part 58. You'll see them a lot on our HEROS training materials. So it's helpful to be aware of them. Those are references to our regulations on environmental review procedures.

So Part 50 designates the process where HUD completes environmental reviews. So we follow Part 50 procedures for all FHA environmental reviews and any RAD transactions, including FHA insurance or project-based rental assistance.

Part 58 creates an alternative process where a unit of general state, local, or tribal government acts as a responsible entity, performs the environmental review instead of HUD. So we follow Part 58 for HUD programs, like community development block grants, home and public housing. And RAD transactions converting to project-based vouchers without FHA are also Part 58. So the unit of general local government will perform the review instead of HUD for those RAD transactions. So that's it for Part 58. We're going to focus on Part 50, but that background might help explain some things.

So for our purposes on this webinar, we're going to focus on HUD and partner users completing Part 50 reviews. HUD users include both the preparers, like appraisers, underwriters, and transaction managers, as well as the environmental clearance officers who help them and review larger environmental reviews, and the approving officials and supervisors who sign off on the reviews. And partner users are you all—the consultants, contractors, recipients, applicants, third party providers—who facilitate HUD's environmental review. When available, this role will also assist responsible entities with Part 58 reviews, but for now it's just Part 50.

We want you to see how partner users are setup in the system so you can see how you relate to one another. So we have two examples here. Jane Doe, who works for a consultant, and Joe Lender, who works for a lender. I'm really good at making up fake names. Jane is employed by Enviro Professionals, Inc., a beautifully named consultant firm. And in HEROS Jane is associated with Enviro Professionals as her partner organization. Enviro Professionals is in turn registered to assist HUD with Part 50 reviews. So it's linked to HUD. For Joe, it's about the same. He is employed by this bank, which is also linked directly to HUD. So the user is associated with their partner, and the partner is associated with HUD or the responsible entity.

So let's say that Joe's bank has contracted Jane's firm to help with the Part 50 review. As a consultant, Jane has privileges in HEROS. So she'll be the one who actually goes into HEROS and gets the review started. As a lender, Joe only has view privileges in HEROS. So once Jane is ready to share a review with him, he'll be able to review it, but he won't be able to edit it or make any changes. So even though there isn't any link between Enviro Professionals and US Bank Co. in HEROS, Jane and Joe can still share documents with each other. And we'll talk more about how that works later.

And we're not talking about Part 58 reviews, but if a city or public housing authority would ever want to hire Enviro Professionals to assist with a Part 58 review, we would just add another link in their profile. So that organization, that partner organization is also connected to that responsible entity. And then we would just have to update Jane's profile to give you Part 58 privileges.

So our next couple slides compare how our process is changing with this rollout. Right now as partners, you're assembling various documents, MAPS analysis, and sending that to HUD, whether by email, Dropbox—whatever method works. And then the HUD preparer takes everything you've sent them and inputs it into HEROS, including downloading all the documents you gave to them and uploading them into HEROS. So best case scenario, you use the partner worksheets, which mirror the screens in HEROS so the HUD preparer can easily follow the same steps and logic between your submissions in HEROS. But if you aren't using those worksheets or you're sending everything in one big phase one PDF, it can create some big headaches for our HUD preparers. They have to translate all those submissions into something that works in HEROS. So starting now, we're streamlining that process by having you input your documents now that's directly into HEROS. And this should be pretty familiar for those of you who are using the partner worksheets, as those worksheets are based off of HEROS.

So this is the same slide from HUD's perspective. Right now they're taking all of your submissions, reviewing it to make sure it's complete and satisfactory, uploading everything into HEROS, and then making all findings and determinations have to be made by HUD as the responsible party getting all signatures. So even with these changes, of course, they're still going to have to do most of that. They're still going to be responsible for most of these steps. However, they won't have to do all the uploading and inputing of the initial project information. That means we're going to be duplicating a lot less effort. That's going to make the environmental review process go a lot faster on all sides.

Here's a pretty flexible—so you don't have to follow these steps directly. But here's an illustration of how you might work together to complete a review in HEROS. A consultant partner, like Jane, will start off the review and enter the initial project information. This is one step that really isn't very flexible.

If HUD staff starts a review, they can't assign it to a partner later on. That isn't by design. That's just a bug we haven't been able to fix quite yet. So that means that for reviews that are already in progress today, we recommend that HUD just finish that review the old fashioned way, without the assistance of a partner. Moving forward, partners should start any new reviews so that they can work on that review.

The partner is also going to conduct the initial analysis and upload any and all documents they want to submit to HUD. Jane can do all of this herself or she can share with responsibilities with someone in her organization. So for example, compliance with Section 106 of the National Historic Preservation Act can require some specialized skills. If there's someone else in Jane's organization who is more of an expert on that, she might assign the review to them so that they can start entering information and uploading documents on the Section 106 screen. Then Jane can assign the review to the lender or applicant, someone like Joe, for their review.

If they applicant has HEROS access, this should be relatively simple to do. Again, lenders have view-only privileges. So they can assign the review back to Jane to make any necessary changes or they can assign the review directly to HUD when it's ready to go. And applicants don't need to have HEROS access at all. If they don't want to use HEROS directly, Jane can generate an output, which is a Word document that shows the environmental review record, everything that she's put into the system, and the applicant can just review that without actually having to login HEROS.

Once HUD has the review, HUD is responsible for reviewing the information provided, and supplementing it as necessary to comply with all requirements. So in the Section 106 example, it will be HUD that actually completes the Section 106 Consultation using the documents and analysis provided by Jane or her colleague. HUD would use the information provided by the partner users to complete any consultation, make any findings and determinations, and then certify the final review.

At any time in that process, HUD may choose to assign the review back to Jane to provide more information. For example, if HUD looks at Jane's analysis and decides that we need a wetlands delineation, we'd probably assign the review back to her to upload that document and make the necessary adjustments to her analysis. Or if it's just something small, HUD may choose to work with Jane through email to get anything that's missing or any necessary clarification. It will depend on the scope of the issue.

So now we'll get into the mechanics of how to complete your responsibilities in HEROS. First, we want to draw your attention to the cheat sheets we've prepared to help you complete this. Sara mentioned these earlier. You should have gotten an email from Cloudburst earlier today with these cheat sheets. This will tell you what to enter in key spaces and how to answer key questions, whether that's the correct response we have for that program or place holder that HUD will replace later, or just some instructions on how

much analysis you can complete.

So we have one for FHA reviews and another for RAD reviews. A lot of this is similar, but some of this is different. So you'll want to make sure that if you work with both programs, you're referring to the correct cheat sheet to get the right information here.

This is pretty similar to a few slides ago. Again, these are the steps in the environmental review process. The good thing about HEROS is that it takes you through all of these steps with guidance and regulations integrated along the way to help make sure that you're completing each step properly and not missing any steps. So first, initiating the review, including defining the project. So then determining the level of review. Then complying and documenting compliance with all the related laws and authorities. And finally, finalizing the review.

Well, the first step has to be taken by the partner, as I mentioned. And the second and third steps, again, are probably going to be initiated by the partner with the HUD user coming in to confirm their work and making a final determination. That fourth step has to be done by HUD. Only HUD can make the findings and determinations, and of course, it's HUD that signs off on the review.

The first screen you'll see is a login screen, which I don't have a slide for. You'll receive an ID number in an email from us. It's usually going to be a B followed by five digits. And then we'll also send you a password, which you'll use to login. After you've entered your login information, you might be directed to this screen where you'll need to select your profile. As partner users, you'll have two selections to make on this screen. First, you'll select your partner organization. That's the organization that you work for. So for Jane, that's Enviro Professionals. But then you'll also select the organization to link the review to. So for now, that should always be HUD. But if in the future, again, Enviro Professionals was linked to one or more responsible entities under Part 58, they would also appear as options here. So in this screenshot, it's contemplating a future where we're rolled out the Part 58 and Jane can select for her review whether she is going to connect it to HUD, the city of Alexandria, or Fairfax County. So she'll want to make sure that she is selecting the right organization so that she can make a review that's tailored to that.

Once you've selected your profile, you'll go to the "My Environmental Reviews Dashboard." When you have a review you're working on, either one you've started or one that someone has assigned to you, they'll all appear here and you can select one to edit. When you first login, this will probably be blank, unless someone has already assigned a review to you. It'll start to build up as you work.

So really quick, you might be wondering what I mean when I talk about a review being assigned. Each review in HEROS has one assigned user at a

time. So only that current assigned user can edit the review. When you start a review, you're automatically the assigned user, and no one else can edit it until you assign it to them. If someone else assigns a review to you, you'll see it on your dashboard here, and you can edit it. Then you'll be the only one who can edit it until you assign it back to someone else.

When you want to start a new review, press "Start a New Environmental Review," to get started. After you press that button, this is the first screen you'll see, "Screen 1101 – Review Type." So you'll select Part 50 when you're working with HUD on an environmental review. If your profile is setup correctly and you've logged in with the right profile, you'll only be able to select the correct option, with is Part 50. Part 58 should be greyed out for all of you. But once you make that selection you can't change it later. So it's important to be careful. If, for some reason, one day you login and there's a bug here, and you can select Part 58, you would be in trouble. So make sure you're selecting the right one. I don't know if that being a real bug.

And this is the next screen after that, "Screen 1105 – The Initial Screen." Here, you'll input a lot of the basic information on the HUD programs involved in the project and the HUD programs and parties involved. So this is a fairly complicated screen. There's a lot of fields. It can be a little tricky. So we get into a lot of detail on this one, on the cheat sheet that we've given you. So these next couple of slides just show how we want you to complete the screen for both RAD and FHA Multifamily.

Each row represents a field on this screen. The middle row tells you how to respond to that field for RAD. The right column tells you how to respond to that field for FHA Multifamily. And in all cases, it's HUD's responsibility to confirm all of your entries and enter any missing information, including replacing your placeholders with real information. I'm not going to go through all of this, because you do have the cheat sheets, but make sure that you're referring to those so that you know how to complete this screen. And here's more on this screen. It's a long screen.

At the bottom of Screen 1105, you'll enter information on the applicant or grant recipient, the HUD preparer, and any consultants, which is probably you. So first, a search for the applicant or grant recipient to see if they're in the system. If you're working with RAD, also public housing authorities, should be loaded into HEROS already. So you should find them here for RAD projects. One quirk I'd like to mention is that the search option is pretty finicky about organization names, so it's best to search organizations by location rather than name. I found that works a little bit better.

Lenders and other applicants will show up only if someone from that organization has HEROS access. So by all means, please search for them so that the review can be linked to them. But you might have to enter it manually, and that will still work. It's fine. So if you search by Alexandria, you'll see all of our organizations in Alexandria. I'm going to select a public housing authority, and now that organization and their PHA code will show

up here. And you type in their point of contact. Then you'd enter the HUD preparer, and the cheat sheet will tell you whose name should go here. And then finally, we have the consultant information, which note the screen says, "Complete this only if you represent a consulting firm or other contractor that is helping with the review." So if that's you, enter your information here.

So this screenshot shows how this will look if a partner entered their information for a project with both RAD and FHA Multifamily involvement following the instructions on the cheat sheet. So note the full balance on the funding sources. First, field select, the broader head programs, and then you'll select the more specific program name. With RAD there isn't a more specific program name, so it's just RAD. With FHA, you'd first select Multifamily FHA, and then the next column, whether that's 2-21D4 or 2-23F7, whatever applies. Once you're done, you'll scroll down to the bottom of the screen and press "Save and Continue" to move onto the next screen.

Say you're not sure what to enter in the project name. You should know, because it is in your cheat sheet. But if it's not in your cheat sheet, there's a little blue circle with an "I" in it next to a lot of fields. When you click on those, it gives you more information on that field. So here you'll get a little popup with some more information on how the project name works, and you'll see that throughout HEROS, so keep an eye out for them.

I also want to right now draw your attention to the side menu. The side menu is dynamic. It depends on your project's level of review and some of your selections. So it won't appear when you first start a review, but as you proceed through the screens, it will appear and then gradually expand. Once the review is underway, you can use the side menu to navigate through the screens. Just be careful. Make sure you're always scrolling to the bottom of each screen and pressing the save button where you've edited the screen at all. If you edit a screen and then navigate away using the side menu without saving your work first, you will lose your entries. There isn't ay kind of autosave element, so you need to make sure you are constantly saving your work.

This is the next screen, where you'll define the project description, its location, and the activities involved. This is also the first screen with an upload button, and you'll be prompted to upload any maps, photographs, or other background information on the proposed project here. And again, the cheat sheet gives you the details on how to complete this screen as a partner user. So make sure you're reviewing that.

And this is a reminder of how to provide a good project description. It's critical to provide a clear, complete picture of the project's scope so that HUD can effectively understand and evaluate its potential environmental impacts. Without a good project description, it's really impossible to do a good environmental review. So this is the foundation of the entire process. Also note that you're being asked for a broader interpretation of the project description than you might be in Part 50 or might be used to. As a partner,

we'd like you err on the side of including more than is necessary here, and HUD will decide how to aggregate, how to edit down your project description and any proposed activities. So if you have any questions about the project description or aggregation, please talk to your HUD contact.

Once you've drafted the project description and completed that screen, you can make a preliminary determination about the level of review. Partners can't make the final decision about the level of review. That has to be a decision that's made by HUD, but you can make a preliminary selection for HUD to confirm.

Again, the cheat sheets will give you information on how to determine a level of review, but this slide gives the general idea. I'm going to go through this in a bit of detail because it is confusing, and we find that this tends to help. So Part 50 outlines 4 different levels of review for HUD projects. Underneath that, the default would be for all projects to require an environmental assessment or EA. But HUD has outlined certain types of activities that categorically excluded from NEPA. So if all activities included in an approved project are categorically excluded under 50-19 or 50-20, then a full NEPA review is not required.

Our lowest level of review is CENST or Categorically Excluded Not Subject To 50.4. Refinances are CENST if the project is already in HUD's portfolio, and any physical activities are limited to routine maintenance. So this includes all of 2-23A7s, and a very small number of 2-23Fs—only those that are basically acting like 2-23A7s. If you're unsure of what routine maintenance is, we have a memo that defines it and we'll give you a link to that in the cheat sheet. RAD's projects are never CENST, because we always consider then, in a way, to be new to HUD's portfolio. Under Part 50, CENST refinances only need to comply with our flood insurance requirements. So in case the floodplain has moved when the previous environmental review was done on that project, you'll need to check the flood insurance rate map and obtain flood insurance for any structures located in a special flood hazard area. There are also some additional MAP Guide requirements for CENST projects that Sara is going to talk about later. The nice thing about HEROS is that it figures this out for you. So if you indicate that the project is a CENST 2-23A7, it will direct you straight to "Flood Insurance and Housing Requirements" screens without making you determine which laws and authorities are and are now required.

Our next level is CEST or Categorically Excluded Subject To 50.4. And projects fall into this category if all physical activities are limited to minor rehab actually. Generally, this will be 2-23Fs, and RAD transactions without any new construction or major rehab. The distinction between minor and major rehab for purposes of this level of review is explained on the cheat sheet. It's also outlined in HEROS. If your project is CEST, you'll have to confirm that any rehab meets the regulatory requirements. CEST projects have to comply with all the related laws and authorities listed in 50.4, which

you might think of as Part A of the 41-28, and some additional MAP Guide requirements.

Our last level of review that comes up pretty regularly is the environmental assessment or EA. This is generally anything involving new construction, demolition, or major rehab. And again, this is the default. So if the proposal includes one or more activities that is not categorically excluded, it requires an EA. So 2-21D4s and RAD transactions with major rehab, new construction, or demolition are going to require an EA. And in addition to the related laws and authorities in 50.4, EAs require a full NEPA review. So that means you need to evaluate what we call the EA factors and the EA analysis. This roughly corresponds to Part B of the 41-28, so you'll often need to answer some new questions. And Sara is going to talk about that a little more later on. Another twitch for EAs that I mentioned already is the environmental clearance officer has to be given the opportunity to review and comment on the review if the project affects 200 or more units or beds.

And finally, we have the environmental impact statement or EIS. This is required for projects affecting 2,500 or more units or beds, or if it was found to have a significant impact on the human environment. And in some cases, if the noise analysis finds that the project is in an unacceptable noise area. These are relatively rare for HUD projects. We don't include an EIS format in HEROS. If it does come up, contact HUD as soon as possible to plan a course of action.

And this is what the level of review selection looks like in HEROS. You'll need to select both the level of review, and if it's categorically excluded, you'll also select the specific categorical exclusion in Part 50 that says that this project doesn't require a full NEPA analysis. So for example, if it's CENST, you'd check first this bubble two thing, "Categorically Excluded Not Subject To 50.4." And then way down at 50-19B21 would be the appropriate selection for a 2-23A7 or a CENST 2-23F.

If you were working with a minor rehab refinance, this is how you would select it. You'd select "Categorically Excluded Subject To 50.4." The "Rehab" selection, and this "Refinance" selection.

Finally, if it's an environmental assessment, there isn't a lot to do. Just choose "Environmental Assessment." You would only have to check the box next to that if it was elevated to an environmental assessment due to extraordinary circumstances. So for example, a minor rehab project that, for some reason, was found to trigger extraordinary circumstances. If you don't know what extraordinary circumstances are, if you want to review that, there's a text up here. So you could click on that blue dot for more information on what we'd consider extraordinary circumstances.

And now I'm going to turn it over to Sara for a couple of slides.

Sara Jensen: Thanks, Liz. That was a lot of information. I thought maybe I would step back just for a minute. It occurred to me that we didn't at the beginning clarify that HEROS, as of May 20, 2018, is optional for partners. This is not required. However, we strongly encourage you to use it, because it will help streamline environmental reviews and help you get your deals closed faster. So I just wanted to make sure we had said that. And Liz laid out already, but I just wanted to reiterate that consultants will need to sign up and get full access in order for this to work, and lenders, it's really your choice. If you'd like to get access to HEROS, you'll be able to go in and see. You can look at all the documentation within the system, and that might be a really helpful tool for you. You can choose not to sign up, and you can review all the information outside of the system. So that's up to you.

So talking about this slide now, both Liz and I have mentioned 50.4, the 17 laws and authorities that are part of the environmental review. These are triggered by environmental assessment and by the categorical exclusions that are subject to 50.4. So here they are.

These should be familiar to you from using partner worksheets, and we have lots of guidance on the HUD Exchange with background information about what the law is and what we're looking for in terms of compliance. And HEROS also gives you lots of helpful information. And Liz is going to walk through a couple of the laws and authorities in more detail.

We've also mentioned a couple times there are additional MAP requirements. So if you go to the next slide. And when Liz gave the HEROS overview, she made a really important point that I want to repeat. Which is that HEROS was designed to work for all HUD programs, not just housing programs. So it includes programs that responsible entities are doing, and community development block grant, and public housing. So it will not capture all the nuances that are in the MAP Guide or the RAD guidance. So you have to make sure that when you're using the system that you're aware of additional requirements.

So on this screen on the top, there's a list of MAP Guide requirements, so lead-based paint, for example, asbestos, radon. Those actually are captured by HEROS, and there's a HEROS screen. And so at the beginning, when you identify what kind of project you're doing, if you check multifamily housing or RAD, this screen will automatically populate in HEROS, and you'll be prompted to put in compliance information for all of these items. And there's some helpful guidance about what compliance documents HUD is looking for. So that is covered.

However, there are also some areas where Housing has put on additional requirements on top of the minimum required by the 50.4 laws and authorities. So here's three examples here. Contamination—the MAP Guide has very detailed requirements about contamination that go above and beyond what you're going to see in HEROS. There are also some additional floodplain requirements, and additional requirements for explosive and

flammable hazards. So it's a little bit trickier, because if you just follow the HEROS prompts you may be in compliance with the baseline regulation but not with the MAP requirements. So you may ask, well, how am I supposed to know this?

So we've made cheat sheets that Liz has already talked about, and they came to you in your email with the webinar link. And so there's one for multifamily housing and one for RAD, and they highlight these areas where they are differences and additional requirements. I also highly recommend that you get out your MAP Guide, and take a look, and be really familiar— aside from the cheat sheet—be really familiar with chapter nine. And what you will want to do is at the end of each screen, there's a compliance determination screen summary. So any additional requirements you would just type in a narrative there, upload any additional documentation, and that will be how you'll comply.

So Liz, I'm going to hand it back to you. And if you want to say anything more about that or move on.

Liz Zepeda: I think I will move on. Thank you very much. And thanks for looping back on the stuff we missed earlier. So once we get these related laws and authorities into HEROS as a partner, things can get a little complicated because sometimes it's hard to say where the line is between what a partner can do and what a HUD staff or responsible entity has to do. And HEROS is very unclear on that line. So we need to muddle through a little bit. It's important to refer to the cheat sheet, and as Sara mentioned, be familiar with the MAP Guide so that you're aware of where that line is.

So for each of the related laws and authorities listed in 50.4, like toxics and contamination, floodplain management, noise, we have a separate screen in HEROS. Each screen directs you through a series of dynamic questions and prompts to help you determine whether the project complies with that requirement. So you might only have to answer one question. You might answer five or six, depending on whether there are any complications. When you've gotten through all the necessary questions, you'll be directed to the screen summary where you'll enter a compliance determination and upload all your documents. As a partner, you and should initiate HUD's review of every related law and authority, as well as the additional MAP Guide requirements.

For many of these, you should be able to figure out whether the project complies with the factor, and then HUD will confirm whether we agree with your conclusions and that you've provided sufficient documentation to backup your conclusions. And factors like that work pretty well in HEROS. You can complete those screens, leave any notes or clarifications you have for HUD in the compliance determination, and make sure you're uploading all necessary documents.

From a technical standpoint, the only thing you can't do on the related laws

and authorities screens is to make the final decision about whether formal compliance steps or mitigation is required. So this is the last question on every screen, and it will be greyed out for partner users so that you can't make that selection.

The HUD preparer will click through each screen and demonstrate they have checked your work by responding to that question. So in a couple slides, we'll show how that works. Don't worry if that didn't make any sense yet.

The problems really come into the laws and authorities where there are steps that a partner can't take. For example, partner should not begin Section 106 Consultation under the National Historic Preservation Act. They shouldn't do Section 7 – Consultation under the Endangered Species Act, or the eight-step process under Part 55. Similarly, any factor that requires mitigation measures or other changes to the project. You should make suggestions, but the final decision is HUD's.

If you recall the partner worksheets, those cut you off right at the point where a partner had to stop what they were doing and turn the reins over to HUD. And unfortunately, HEROS doesn't have that level of specificity or clarity, so we do need to do some workaround.

HEROS requires that users respond to all system-generated questions on each screen before they can upload documents. So where you're not legally able to comply with all requirements, you should respond to all questions using your best assumptions and suggestions and be very clear where you're only making recommendations for HUD's approval. In the compliance determination section of each screen, you'll describe any assumptions you made and clearly state which responses are merely preliminary or suggestions for HUD. HUD will review your recommendations and notes and use them to finalize the screen as necessary. And if none of that made sense, I'm going to show a few examples of that very soon.

You might recognize these partner worksheets. We've made these to help partners submit project information in a way that's consistent with HEROS before you were able to use HEROS. Unfortunately for us now, they were a little clearer about what you can and can't do than the actual HEROS screens are. So these can be helpful to refer to if you aren't sure about where that line is.

There are a lot of individual prompts to upload documents in HEROS. There's at least one on each of the related laws and authorities screens, and there's also one or two on a lot of other screens. In some cases, you'll get a generic prompt to go along with an upload. For example, upload any supporting documentation here. In others, you'll get something more specific, like upload a flood insurance rate map with the site marked or upload a completed eight-step process. It's important to be aware of these prompts. In some cases, you'll need to use a little judgment to decide whether an upload is required, optional, or not possible for a partner user. So for example, when

HEROS says, "upload a floor insurance rate map with the site marked," that's required. When it says to upload an eight-step, that is a required step, but it has to be done by HUD. So you'll have to leave that un-uploaded when you're done so that HUD can finish that up. If it just says, "upload any documentation," that's generally optional. So use your best judgment to determine whether an upload is really required or whether your responses speak for themselves.

It's also really important that you upload all documents in the correct space. So upload your floodplain map on the floodplain screen, your wetland map on the wetland screen, your phase one on the toxics and contamination screen, et cetera. In the past, we've been a little lax on this, but we're cracking down now. So we're requiring that all uploaded documents actually go on the screen where they are requested so that HUD can find them easily. You don't want the HUD preparer to be digging all over the review to find your documents, because that's going to slow the review down.

This is the screen summary where we summarize compliance with all the related laws and authorities. After you select the level of review, you'll be directed to this screen. It's only going to show the laws and authorities that are required based on the level of review you selected. So if the project is CENST, like a 2-23A7, you'll only flood insurance and housing requirements here. Otherwise, you'll see the full range of laws and authorities listed in 50.4. This table itself is not editable. I often get questions from people saying, I can't enter anything here. And that's by design. This screen only summarizes information that you've entered on the related laws and authorities screens. So you can access each of those screens by clicking on the hyperlinks in the left column. You can complete those screens in any order, but as you complete them you'll see this table start to fill in.

In the right column, you see the compliance determination. HEROS generates some preliminary suggested language, but you should edit that text to elaborate on your conclusions. And in the middle column it shows the response to the question, "Are formal compliance steps or mitigation steps required?" This will still be blank when you're done as a partner, because only HUD can answer that question.

So in the next few slides, we'll look at the related laws and authorities that we anticipate creating the most confusion as we rollout to partners, and we're going to start with floodplain management as an example. These slides basically have the instructions from the cheat sheets. So for floodplain management, you should create a FIRMette with the site marked to determine whether the project is in a floodplain and make a recommendation to HUD about whether any exceptions in 55.12 exempt the project from Part 55 or the eight-step process. You should not complete the eight- or five-step process yourselves, but you should assist HUD with that analysis. In turn, HUD will review all your entries and documents and complete the eight-step process or five-step process as required.

So how does that actually look in HEROS? Each screen will look about like this when you first arrive. You'll see a summary of that law or authority at the top of the screen and a link to the HUD Exchange for more information. Most of these links are old, so they run CPD, but they redirect to our current website, which is the HUD Exchange where we have a lot of information on each of these related laws. The questions are dynamic and they build on each other. So you'll get one question at a time, and after responding to each one, you'll press "Next" to proceed to the next question. You should respond to each of these questions as completely and accurately as possible to determine whether the project complies or can, with mitigation, comply with that law.

So the floodplain management screen actually starts with an unusually long and difficult question. Which is, "Does an exception in 55.12C apply?" If it did, you would select the applicable citation here. So say for example, you were working on a project that was rehabilitation of a waterborne vessel. You would select 55.12C11 and press "Next." At that point, you'd be directed to the screen summary, because that project is exempt from Part 55, and no further analysis or documentation would be required. Of course, if you selected that for RAD or FHA Multifamily, we'd not be very happy with you because that's not an eligible activity under those programs. You can't do any waterborne vessels. Although, I've seen it selected. So in this example, our project is not accepted 55.12C. It is in a 100-year floodplain, and an exception in 55.12A applies, which means the project will require the five-step process. This means a partner cannot complete the full analysis, because only HUD can take responsibility for that five-step.

So the next question creates a technical problem. You'll be prompted to describe all mitigation measures and you must enter text here before you can proceed to the screen summary and upload your documents. However, mitigation measures will not be officially defined until after HUD completed the five-step process. So in situations like this, where you have documents you need to upload but you're not legally able to comply with all those requirements, we suggest using your best suggestions for HUD to respond to all questions. It's really important that you be really clear about what is merely a suggestion or a recommendation. So we ask you to set it off in some way, like we did here by stating in the comments, "A NOTE FROM PARTNER" in all caps. That sets off that this is only a preliminary recommendation for some mitigation measures.

When you've completed all required questions, you'll be directed to the screen summary to summarize your compliance. A compliance determination will automatically be generated for you, but you should also use this space to leave any notes, comments, or suggestions you have for HUD. And again, it's important these comments be clear about which responses are final and which are merely advisory. So you should be very clear about that. And again, we set off our partners' notes in all caps with some asterisks.

So next, you'll upload all of your supporting documentation down here. And as you can see, the final question is greyed out and can't be answered. A

HUD user will have to come in after you to complete the screen by answering this question.

Now we're going to really quickly look at the same screen from HUD's perspective. So after you've finished your portion of the review and assigned it to HUD, they'll review all of your entries, and documentation, and confirm that they agree with everything. So if they do see any issues, they can choose to correct them themselves or assign the review back to you, depending on the severity of the issue and the workload involved.

HUD staff needs to be especially mindful of updating and confirming any findings, determinations, consultation, and other steps that can only be made by HUD. For example, here HUD would update the mitigation measures suggested by the partner, with final mitigation measures identified during the five-step process. Then at the screen summary, I will need to carefully check every field. HUD should update the compliance determinations with any updated information. So in this case, to explain that the five-step process was conducted, and to explain any important outcomes from that process. HUD will also upload any new documents. In this case, we completed five-step, and others that might be documentation that of Section 106 Consultation or consultation with the Fish and Wildlife Service. And finally, HUD will respond to the final question about whether formal compliance steps or mitigation is required. So if that question remains blank, that will be a quick visual indicator that HUD has not finished this screen yet.

One important note to HUD staff is that it's really easy to accidentally lose a lot of work when you're working with these screens. If you change any of the answers above, that will delete any text entered by your partners in the screen summary. Because of that, it's really important to save the Word document version of the environmental review record so that you can pull any text from there if it's lost in the system. So we're going to talk more about that later. But if I went back and changed one of these responses, my compliance determination would reset back to the factory settings. So I would lose all the notes entered by partner user. So make sure you're being aware of that. You might just copy and paste it somewhere else before you change answers, but you always have the environmental review record to fall back if you lose everything. So make sure you're keeping that in your records.

So next we've got wetlands protection, which is pretty similar. Here, you should provide a National Wetlands Inventory map showing the project's proximity to any wetlands, as well as any secondary reference sources, if those are useful to back that up or support it in any way. If there are wetlands, you should work with HUD to decide how to proceed. HUD will decide whether to consult with the Fish and Wildlife Service about any wetlands or require a delineation survey. If the project requires a five- or eight-step process, again, HUD is going to complete that process.

So here's how that one looks. First, you'll be asked if there's any new construction as defined in Executive Order 1199D, which includes essentially

any ground disturbance. Only if there is new construction will you be asked whether there are actually any wetlands that could be affected. And in this case, they found that there was some ground disturbance, but the partner worked with HUD and the local Fish and Wildlife Service to determine that this case there was an error on the National Wetlands Inventory and there was no wetland on the site. That's a relatively unusual situation. So it would be important to work with HUD, and HUD would have to agree with that outcome.

The Endangered Species Act is a little different. Partners should not consult with the Fish and Wildlife Service or the National Marine Fishery Service. So when you're in HEROS, you would just make a preliminary suggestion about whether consultation is required and what effects finding you think might be appropriate. If HUD determines a consultation is appropriate, you'll help with assembling all the consultation documentation, but all contact with services should go through HUD.

And here's how that one looks. On ESA, we ask both whether the project activities could impact species and whether there are species in the area before we ask for an effects finding, because there are a few different ways at arriving at a finding of no effect. It could be just the project itself won't impact species, for example, a straight RAD conversion without any work, or maybe that there are no species in the project area. And in some cases, it will be a combination of both. So in this example, they found that there was ground disturbance and there is a list of species listed in the area, but that there would be no effect because a biologist report found that there was no potential habitat on the project site. So the partner suggests a no effects finding would be appropriate. It would be really important to backup that kind of finding with documentation. And of course, HUD would have to agree with it and make an official effects finding and view any necessary consultation, if that is required.

Finally, we have historic preservation, which is maybe the most complicated one. Just like the Endangered Species Act, you shouldn't be contacting any consulting parties, and it's especially critical that partners never contact tribes directly. When HEROS prompts you to select all consulting parties and make an effect determination, you should be making preliminary suggestions. And in the compliance determination, you'll describe your assumptions and conclusions, and upload all documents that are available at that point. For example, any national registered documents and site photographs. Then HUD will complete a consultation and make the effects finding.

The first screening question on Section 106 and asks whether Section 106 review is required for the project at all. This answer is usually going to be yes, unless a programmatic agreement or a no potential to cause effects memo applies to this project. If you select one of those options, make sure that you can actually cite to a programmatic agreement or a memo to support that finding. If you don't know of a PA or a memo, then there probably isn't one. So the answer is yes.

In step one, you'll need to select the consultation status of various consulting parties before the screen will allow you to continue on. So I'd select "In Progress" for parties where you think consultation will be required. Just remember that you shouldn't actually be initiated that consultation. By "In Progress," we just mean that you're assembling the initial information, and HUD will actually initiate that consultation.

In step two and three, you can enter information and recommendation. But again, always keep in mind that these are only recommendations. And it's really important to give HUD the information it needs to actually conduct consultation. Just be very clear about where that line is and what you have and have not completed.

So now I'm going to kick it back to Sara to talk about having requirements.

Sara Jensen: Thanks, Liz. This is FEMA's housing screen that we've mentioned a few times. So this, again, will pop up every time you are doing a Multifamily FHA or a RAD project. So moving to the next screen, for Multifamily FHA, the housing screen will show up at all levels of review, including Categorically Excluded Not Subject To. So for 2-23A7, for 2-23F that are acting like 2-23A7, this screen will pop up. And we did some research to determine which of the housing requirements apply in that scenario, and you can see here some guidance. This is in the cheat sheet as well. And really, there's not a whole lot that is triggered at that level of review.

So a lot of you are probably thinking, well, we don't get involved in this level of review. Why are you sharing this information? So this is something that is new. This is new information, so please make a note. As we mentioned earlier, every project needs to have an environmental review record, including A7s, and 2-23Fs that are Categorically Excluded Not Subject To. There does need to be a record in HEROS. The good news is that it's a very easy lift. This is not a complicated review. Essentially, you put in the information for the initial screen, upload a flood map. If the project is located in a floodplain, you have to show proof of flood insurance, and then document the housing screen following this guidance here.

There are two options here. So either this can be done directly in HEROS by partners and then assigned to HUD, or we've created a new partner worksheet for this level of review. And because lenders may not always hire consultants for these types of projects, the lenders could complete the partner worksheets with that very basic information and send it into HUD staff, who would then put this in HEROS. So this is new, but it is not going to be difficult. It's just an additional step that you may not be doing right now for 2-23A7s and existing 2-23Fs with no work.

So let me move onto to something that is not new, and this is the environmental assessment part of the HEROS review. So again, this has always been required, even on the old 41-28 form, but it may feel a bit new

because HEROS shines a brighter light and is clearer about what HUD expects for an environmental assessment. What you're seeing here on this screen are the EA factors. These are in Part B in the old 41-28. And so for new construction and substantial rehab when you're doing an environmental assessment, we need documentation and information about the EA factors. If you take a look in the MAP Guide, 9.5Q actually says that HUD will require information on these factors. So again, this is not new, but it may feel new.

There's also some guidance on the HUD Exchange, so HUD's environmental website, and this next slide shows the environmental assessment page. And the fourth bullet down says, "environmental assessment factors guidance." That is the guidance to give you more information about what HUD is looking for for this part of the HEROS review.

I wanted to make one other comment about EAs, something that we see commonly done incorrectly. So in the next slide, this will pop up for an EA-level review, and there's a question about the purpose and need and the existing conditions and trends. So purpose and needs, that's pretty straightforward. We're asking, how will the project address housing needs in the community? And putting in market demand information is fine and answers that question. The second half of this is getting at existing conditions and trends. So what we're looking for here is a description of the project site, the project character, features, any natural resources on the site and also in the surrounding area. So examples would be, is the proposed project in a historic district or adjacent to a historic district? Or is the project untouched farm land? Is the project at the confluence of four interstate highways? These are all pieces of information that will give you, as the first preparer, and HUD as the final preparer of the environmental review, information about what we should be looking at more closely and what issues might come up.

We also want to hear about trends. So an example here is if the proposed project is housing on a former industrial site. It's a very different review if this is the first housing going into an industrial site and there's active industrial uses all around versus a project that's already well on its way—a site—part of the town that's already well on its way to converting from industrial to housing. So we want to know about trends and existing conditions, and that will help complete the environmental sustainment review.

Back to you, Liz.

Liz Zepeda: Thanks. This one is a quick one. Just a reminder to save you work a lot. A huge complaint we get about HEROS is that you get timed out after 20 minutes of inactivity, and you lose any work that hasn't been saved. So we've been trying to add more save buttons, make it more obvious when you're about to be timed out. Unfortunately, that's as far as we've been able to get. So make sure you're saving your work constantly. Entering text does not count as activity in HEROS. So it doesn't register typing. So it's very easy to get in a situation where you've been typing for 20 minutes and then you get

logged out. So just make sure you're constantly saving your work and you're really keeping on top of things. And it's probably a good idea, in some cases, to type along your answers somewhere else and then copy and paste them into HEROS to avoid frustration. I'm sorry it's like that.

When you're done with all of your analysis, you'll be directed to this screen, which summarizes mitigation measures and conditions entered previously on the review. So mitigation measures will be collected on this screen based on your entries in previous screens. It isn't always intuitive where these get pulled from. It depends on your individual responses to each of the related laws and authorities and EA analysis screens. So if you see anything in this right column that doesn't make sense or you want to correct, you can click on the name of the authority in the left and you'll be directed to that screen to make corrections. If there are any other mitigation measures or conditions that aren't captured above that you'd like to recommend, you could add more here by pressing the "Add Mitigation Measure" button just below the table.

If the project does require any mitigation measures based on your entries, you'll be prompted to enter a mitigation plan detailing responsibilities for completing any required mitigation measures. So if you know who will be doing that, you know what the plan is, by all means, please enter it here. But as partners, you might not be able to provide that information, so you can just enter a placeholder so that you can proceed onto the next screen. And we're so close to the end.

After the mitigation measures, you'll be directed to this preparer notification screen to wrap things up. If you press the "Generate Preview of Environmental Review Record" button, you'll get a popup window that generates a Word document version of your environmental review record. Review that document, make sure that everything looks the way you want it, and then save that document for your records. You should also submit this document to HUD for their files. As I mentioned earlier, it's way too easy for HUD to accidentally delete text you entered in some places. So we really want to have this environmental review record as a backup in case anything gets lost. So this is a really important step. Make sure that you are saving that environmental review record and submitting it to HUD. Once we have your environmental review record ready, or once you have it ready, press the red "Assign Review" button in the upper-left to assign the review over to HUD. Do that over here.

Before we get into assigning reviews, this is what the environmental review record looks like. Your files are going to appear as hyperlinks, and any text you entered will be shown here. There will inevitably be some blank spaces, as the environmental review record won't be complete when the partner's part is complete—things like the certifications and findings. There are these screens that you don't have access to, so those fields will be blank, and that's fine. But do make sure that everything that you wanted to have entered here does show up on the environmental review record.

Let's see. This will continue on. And there's an appendix with your individual responses on each of the related laws and authorities screens, as well as all the documents you have loaded. So if you're an applicant or you work with an applicant who doesn't have HEROS access, this is also a helpful document to send to them so that they can review everything before you send it to HUD, if they'd like to do it that way.

Each review in HEROS only has one assigned user at a time. So only the current assigned user can edit that review.

Sara Jensen: Sorry, can you go back one slide? I just wanted to make one comment. So the only thing is that if the lender or applicant does not have access to HEROS, those links as part of this file will not work. So all of the backup documentation you'll have to share separately.

Liz Zepeda: Yes, thank you. Sorry, good point.

Sara Jensen: You'll be able to see the summaries, but to actually get in and see the phase one or any of the studies, that will have to shared separately if the applicant or lender does not have HEROS access.

Liz Zepeda: Yeah, those links will just direct them back into HEROS. So they need to use those. Thank you for pointing that one out. And of course, HUD staff will all have access to that, but not your applicant necessarily.

So at any point during your review, you can assign a review to another HEROS user. To we're guessing that in most cases, you're going to be assigning reviews directly to HUD. But if the applicant has HEROS access and they want to review it before you send it to HUD, you could assign it directly over to them at their discretion. And you might also want to assign a review to another person at your organization if they need to help with a portion of a review or pick it up while you're on vacation—at any point. There's no point where you can't assign a review to another user or for any reason. As long as they have the necessary privileges to view or edit that review, they'll be able to pick it up.

When you're ready to assign a review to HUD, the screen and the cheat sheet says who it should go to. FHA reviews should be assigned to the underwriter or appraiser assigned to the project, and RAD reviews should be assigned to the financing plan transaction manager. It's a good idea to always check with the recipient before assigning to make sure they're available. One the review is assigned, you can't pull it back yourself. If you need help reassigning a review, you'll need to get an admin user for help. Technical branch chiefs have admin privileges, so they can reassign a review if you need that. What is best to do is check first so that you don't need to follow back.

Once you know who you're assigning to, search for them by first or last name. Their name is going to appear in this upper table, along with their role, email address, and location so that you can confirm that you have the right

person. Alternatively, there's a table in the lower half of this screen that shows all of the review's previous assigned users. So if you started the review, it's only going to show your name. And this isn't terribly helpful, but this does save a step if you're assigning a review back to the previous user or any previous user.

So click on the name of the person you want to assign to Whether they're in the top or the bottom table, whether they're the only name that appears, you still need to select their name and make sure that their row is highlighted. And then you'll enter any comments in the text box provided. Once you press "Assign," both you and the person you assigned the review to will receive a confirmation email with the name of the review and any comments you entered.

I also want to draw your attention to this assignment history screen. You can get to this screen by the dashboard and the "View Assignment History" button. And it will show you everyone who has been assigned to the review, when the review was assigned to them, and any comments that were entered by the person who assigned the review to that person. So keep this in mind. It's important to be careful about any comments you enter when you assign a review to someone else, because everyone else will be able to see that comment. So you don't want to enter anything snarky here, because it will be saved here forever and everyone can see it. So just be aware of that.

This is the step that HUD conducts, but we wanted to make you aware that when a review is completed it's posted on our public-facing HUD Exchange website. Environmental review records are public documents that legally have to be available for public review. So HEROS is helping us meet those transparency requirements. It's important to keep in mind that these documents are public. So don't put anything in an environmental review record that you wouldn't want online. If you have any questions about how to handle private information, check with HUD first.

Hopefully if you're watching this you have HEROS access already. We're sending many people their login information today. And if you don't get it today, hopefully you will get it very soon. And we already mentioned this earlier, but if you still need to get access right now, contact Linda Albrow. If you're watching this in the future, check our website for registration information. We should have an updated form posted on the HUD Exchange soon.

We have a lot of tools and resources to draw your attention to. We're running out of time, but you should have these slides so you can refer to all of these—our frequently asked questions, how-to videos. Those are the two resources I would start with. And all of those materials are available at the main HEROS page. The link is at the bottom of the screen. This is our main environmental review page on the HUD Exchange. HEROS is under "Featured Topics." That's where you can find that. And you can also find more information on each of the related laws and authorities here. WISER Modules are another

free resource for learning more about each of the related laws and authorities. If you're attending this webinar, you're already registered for LNS access, which you need to access WISER. So you should get the login. Here are the program resources. So the most recent MAP Guide and our environmental guidance for RAD transactions, which is also being updated. So there should be a new one relatively soon. And just some quick links to our main page, HEROS' main page, and the frequently asked questions, and the HEROS links to login.

If you have any questions, any technical questions about HEROS, any problems logging in, or anything is going haywire, you're not sure how to answer something, go to "Ask A Question" on the HUD Exchange. The link is here. If you have any project specific or substantive environmental review questions, where you're not sure how to handle an issue or you're having trouble with the projects, you should go to your HUD program contact, like the underwriter or transaction manager. They should be more help there.

And I'm ready for questions from the audience.

Lauren Hayes: Thank you, Liz. So our first question is, what should we do where HUD has already started a review in HEROS? So if HUD has started a review, should they finish the review or can they pass it back?

Liz Zepeda: Sure. So as of today, if a review is already in HEROS, as you mentioned, if HUD started the review they can't assign it back to a preparer. So any review that a HUD staff has already started, they should just continue completing it themselves using the old method that you would have used yesterday or last week. We'll only want partners to start new reviews moving forward. So if you get a new project in tomorrow, put that into HEROS and get it started that way. But don't double back and duplicate effort at this point.

Lauren Hayes: Great. Thank you. So our next question, and it's to go to Liz or Sara. To be clear, should consultants no longer submit a request for concurrence from the SHPO? Or should we continue to submit requests and include with supporting documentation as we currently do for our projects?

Sara Jensen: I'll take this one. This is Sara. The MAP Guide lays out the process that we should be following, which is that the consultant can help with the early steps, and providing maps, and if archeological studies are needed, or information about historic districts or buildings—can compile all of that information. But technically, HUD should be conducting the consultation. And certainly, with tribes, reaching out to tribes, that always has to be done by HUD.

Lauren Hayes: Thank you, Sara. Our next question is, consultants typically complete the modified eight-step. Can we still complete an upload with a note in the summary screen?

Liz Zepeda:	So I just heard that term for the first time last week, and I don't know what that is. So I'm going to have to look into that and find out how that's being used. Sara, have you seen that? Just somebody asked me about that last week, and I told them it wasn't a thing.
Sara Jensen:	So the term "modified," does that mean the five-step?
Liz Zepeda:	So when I talked to somebody before, it was not the five-step. It was something a consultant was doing. But I think we're just going to have to get to the bottom of this offline.
Sara Jensen:	Yeah, we may have to go back. In general though, the idea is that only HUD can make a determination that there's no practicable alternative. And so it's problematic when things are uploaded that consultant A has determined no practicable alternative. So again, similar to the 106 Consultation, we're relying on heavily on you, as our partners, to do a lot of the legwork. But ultimately, HUD needs to make the determination on the eight-step or five-step analysis. So certainly, you can upload documentation, but I think this is an area where you need to be talking with your HUD contact and collaborating early.
Lauren Hayes:	Thank you. Our next question is, people would like the contact information for Linda. So do you have her email address? Would you just provide her first and last name again?
Sara Jensen:	Yes. I have both Linda's and Rita's email address. So let me give you Rita's first. It's Rita, R-I-T-A, dot Simmons, S-I-M-M-O-N-S, at HUD.gov. And the chat box is blocking—Linda is Linda dot Albrow, A-L-B-R-O-W, @HUD.gov.
Liz Zepeda:	And I would just add one thing. That they're helping us process these access requests, but otherwise, they're not—they don't have any special knowledge of HEROS or HEROS access. So don't bother them with any other HEROS questions. Just access issues in May, June 2018, and after that, we'll release them altogether.
Sara Jensen:	Yeah, that's a really good point. So anything about HEROS should go to that AAQ that Liz—on the last slide—"Ask A Question."
Lauren Hayes:	Our next question is, currently HUD comments during the reviews are funneled through the lenders and then to the consultants. Are you stating that HUD will provide comments directly to consultants, leaving the lender out of communication?
Sara Jensen:	That is a good question. We're not intending to change the process, but I can see how that might happen with the way the assign button works, especially if the lender is not in HEROS. So that may be something we'll need to talk about and get some guidance out on. Thanks for raising that question.

Lauren Hayes:	Thanks, Sara. Next question. Are you expecting individuals at the lender to each have their own access to HEROS? So individual access verse like a whole organization having access.
Sara Jensen:	Liz, can you answer that one?
Liz Zepeda:	Sure. So anybody who wants to use HEROS would need individual access. There's no way to setup a group account in HEROS. So it is optional. Not everybody needs to have access. But anyone who needs to use HEROS would need individual access.
Lauren Hayes:	Thank you. So next question. Will the lenders be able to print out the information from HEROS so that they can write on it to send their consultants requested edits? How should they be dealing with edits to the environmental review record with their consultants?
Liz Zepeda:	So from a technology standpoint, they certainly could print it. And the documents that HEROS generates aren't editable in Word. So if you wanted to do a marked up version, it would probably have to be some kind of handwritten sort of situation. I'm not sure that that's necessarily the way I would recommend doing it. That's a good question. I'm not sure what the best way of handling that kind of process would be. I might just recommend doing it by email and describing what changes you want made rather than trying to do a markup or something. We might want to look into that and play around with the options.

Sara, do you have anything you want to add there? |
Sara Jensen:	No, I think that's good. And I'm marking it down for follow-up.
Lauren Hayes:	Great. We do have another question. What happens if we don't have the grant recipient information from the lender? So if they aren't sure of the program.
Sara Jensen:	So my first though is we have cheat on the cheat sheet. We indicate places where you could put a zero or something. But if you don't know the program, it's going to be really hard to move beyond the first screen in HEROS. So that's something that you would really need to know, what HUD program you're working with. But if you don't know the exact grant number, you could put a placeholder in. Correct, Liz?
Liz Zepeda:	Correct. Yeah, the grant number could be a placeholder. The applicant could be a placeholder. But if you don't know whether it's a 2-23A7 or a 2-21D4, that's information you would need to have before you could proceed.
Lauren Hayes:	Thank you. So next question. Will HEROS become similar to the CNAE tool, in that upon submission by the lender the focus will be on the electronic submission and away from in conclusion within the submission package? Will the HEROS submission remain separate from the phase one ESA?

Sara Jensen:	I'm not sure if I'm totally following the question. But the phase one would be uploaded as part of the HEROS review, and you would not need to submit it also with the application. The HEROS would take the place of any environmental information that you're submitting currently, with the exception of the lender narrative discussion of environmental issues. But the phase one and all of the other documentation would be submitted via HEROS.
	Liz, do you have anything to add?
Liz Zepeda:	No, that's what I was going to say.
Lauren Hayes:	Thank you. Next question. Do we have to document 2-23A7 deals in HEROS?
Sara Jensen:	So, yes. This is new. This is new information today. And I saw another thing in a chat was asking, do we have to do a phase one for 2-23A7s? No. It's a very limited, very short environmental review. And I believe that you were all sent the new partner worksheet with the cheat sheets. I think—Ben, you can correct me if I'm wrong—but I think that that went out to everyone on this call, our new partner worksheet.
	So basically, you put in information about the project, that initial screen, and then the only documentation is floodplain and flood insurance, if it's required. And then the housing screen, and there are only a few things that have to be documented on that housing screen. So we are going to need information in order to complete that review. And it'll be a choice of whether of you go ahead and do that directly in HEROS or send in the partner worksheet so that HUD does that step.
Lauren Hayes:	Thank you, Sara. So our next two questions are related to Part 58. So actually I just see a non-Part 58 one, so I'll quickly ask that one. Can we assign a project to someone else within our consulting organization prior to assigning to HUD?
Liz Zepeda:	Yes. Yes, you can assign it to somebody else in your organization, any time, for whatever reason. Whether that's you're going on vacation, or you want them to check your work, or there's just part of a review that you want them to step in and do you can assign it to anyone else form your organization or really another organization to review, if that works for your process.
Sara Jensen:	And Liz, I have a follow-up question that I saw come in also. Which is, can lenders assign? So if the consultant assigns the review to the lender, can the lender be the one that assigns the review to HUD?
Liz Zepeda:	Yes. Yeah, that should be the only thing they can do. Since they have view-only privileges, they should just be able to review it and then assign in on to the next person.

Lauren Hayes:	Great. So our next question is, we are working on HFA doing a Part 58 as a RE and a lender. How would this work?
Sara Jensen:	So we've gotten a few questions about housing finance agencies who may be acting as a lender for some projects and acting as a responsible entity for others. So when you get access to HEROS when you're working with FHA straight deals as a lender, you will have read-only access for those Part 58 reviews. And in the future, when HUD rolls out Part 58 access for risk share, for example, then you could get full access under Part 58. But at this point, risk share deals should not be conducted in HEROS under Part 58.
Lauren Hayes:	Great. Thanks, Sara. We do have another question. So I'm just going to combine these two. When will HEROS be ready for Part 58? And for cities conducting Part 58 reviews, how are they added to HEROS as responsible entities?
Liz Zepeda:	So for CPD, responsible entities have been using HEROS for four years. We did a rollout to CPD in 2014. There was a first group that started using it. So we are very experienced with getting them access to the system, and we have hundreds of responsible entities who are using HEROS for their Part 58 reviews.
	We are planning a rollout to partners who help responsible entities with their Part 58 reviews sometime later in 2018. We're still working on firming up those plans, but that should be coming soon after we finish up this rollout.
	Does that answer all those questions? Is there another question there?
Lauren Hayes:	Yeah, that answers them.
Liz Zepeda:	Great. Thanks.
Lauren Hayes:	And we have another system-related question. Will we be able to change the name or address of the project in HEROS once we start the review?
Liz Zepeda:	Yes. You can keep changing those things at any time. So yeah, that should be editable throughout the process. The only thing that you can't change back is taking a Part 50 review to a Part 58 or vice versa, or a peered review to a non-peered review and vice versa.
Lauren Hayes:	Great. So we do have two more questions. The next one is, when will I get access to HEROS? I think you covered this a few times.
Liz Zepeda:	Yeah, hopefully in the next couple of days. Don't panic until it's been a couple more weeks, since one group did get lost and we'll need a little more time on them.

Sara Jensen:	I would say those of you who submitted access requests before May 1st, you should be getting access today. And those of you that submitted access requests after May 1st, it may take a little bit of extra time.
Liz Zepeda:	Thank you. I didn't when the orientation happened.
Lauren Hayes:	And do lenders have to get access to HEROS?
Sara Jensen:	That is completely optional. So as you've seen on some of these slides, if lenders do have access, they can go into the system and review the consultant's work, and pull up all the links, look right at the phase one, at any reports all in HEROS. So that might be attractive to some lenders. But if you choose not to—you don't want another system that you're dealing with—you can ask your consultant to just print out the summary. And then maybe setup a Dropbox or something to drop in all of the attachments, and you can do the reviewing outside of the system as well. So it's completely up to you. HUD had no preference.
Lauren Hayes:	Thank you, Sara. And we do have another question. When will the use of HEROS be required instead of only encouraged?
Sara Jensen:	That I don't think we can answer at this point. Or Liz, can you?
Liz Zepeda:	No. I'd agree with that.
Sara Jensen:	Hold that question. It looks like there was a question, Lauren, about size. Is there a limit on the size of documents that people can upload into HEROS?
Lauren Hayes:	So in our user guide it says that the maximum is 50 megabytes, but we have been known to upload larger documents. If you run into any documents that you are unable to upload, please let us know through "Ask A Question." But we have not had any issues with uploading documents. When we designed the system we took the largest phase one we could find, and we times it by four and said, that's what we needed for individual uploads. So we haven't run into any issues with uploading very large documents. The system is designed to handle to phase ones, maps, everything.
Liz Zepeda:	One note I would make on uploads is that HEROS does not handle special characters in the file name. I usually include a slide about this. I forgot this time. But if you have any special characters in the file name, HEROS does go haywire, and it has a pretty persnickety view of what's a special character. So if you ever do see a problem with an upload, my first check is always see what the file name is an if there's any special characters. So that's something to keep an eye on, but we certainly designed the system with an eye towards phase ones, phase twos—humongous documents.

Lauren Hayes: Great. Thanks, Liz. And we're about 15 minutes over. So I think we'll just wrap it up here.

Liz Zepeda: Thank you, Lauren and Sara. Is there anything else to add?

Sara Jensen: No. Thank you so much for sticking with us, everybody. And we look forward to you using HEROS. And cheers to a successful rollout.

Liz Zepeda: Thanks, everybody.

Sara Jensen: Thank you, Ben.

Ben Sturm :   Thank you, everyone.