U.S. Department of Housing and Urban Development
Community Planning and Development

Special Attention of:

ORHED Director
ORHED Staff
VHRMP Recipients

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Subject: Protocol for Environmental Review for Veterans Housing Rehabilitation and Modification Pilot (VHRMP) Program

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I. INTRODUCTION

A. PURPOSE

The Veterans Housing Rehabilitation and Modification Pilot (VHRMP) Program Grant Agreement requires the completion of an environmental review before HUD or non-HUD funds are committed or spent on modification or rehabilitation of a property. These reviews are completed by HUD, according to the environmental compliance procedures and requirements contained in 24 CFR Part 50, Protection and Enhancement of Environmental Quality. This Notice will provide VHRMP recipients with information on how to comply with HUD's environmental review and requirements, including what to provide to HUD's Office of Rural Housing and Economic Development (ORHED).

B. BACKGROUND

In accordance with the recipient's assurances incorporated in the VHRMP Grant Agreement, the recipient must-assist HUD to comply with 24 CFR Part 50. The HUD Environmental Review Online System (HEROS) is HUD's online system for developing, documenting, and managing environmental reviews. It includes environmental on-screen guidance for completing HUD environmental reviews and allows for project environmental reviews to be submitted to the ORHED. VHRMP recipients or their environmental consultants will be required to have access to HEROS to submit their environmental review documentation to HUD. Information on how to request access can be found at - https://www.hudexchange.info/programs/environmental-review/heros/.

II. REQUIREMENTS

A written record of compliance with HUD's environmental regulations is required for every activity, even ones that will not require physical changes or modifications to a property or site. HUD's regulations at 24 CFR Part 50 implement the policies and regulations of the National Environmental Policy Act (NEPA), as well as other Federal laws and authorities and departmental environmental requirements. After a VHRMP recipient receives a request for assistance, HUD must complete an environmental review before any funds are committed or spent on the project.

Furthermore, until HUD has completed its environmental review, VHRMP recipients and their partners may not take any action that would have physical impacts or limit the choice of alternatives, even if using only their own funds. Undertaking any actions that have physical impacts or limit the choice of alternatives interferes with HUD's ability to comply with NEPA and Part 50. A choice limiting action may include, but is not limited to, demolition, rehabilitation, repair, site preparation or clearance, lead hazard control or management, asbestos containment or removal, physical accessibility improvements, and other activities that entail ground disturbance. Activities that are *not* choice limiting actions include architectural design,

site planning, and conducting site studies and assessments (including Phase I and Phase II Environmental Site Assessments, minimal associated soil boring, and wetlands delineation).

III. RESPONSIBILITIES

A. Responsibilities of VHRMP Recipients

HUD's environmental protection regulations at 24 CFR 50.3(h) outline related grantee responsibilities:

(h) For HUD grant programs in which the funding approval for an applicant's program must occur before the applicant's selection of properties, the application shall contain an assurance that the applicant agrees to assist HUD to comply with this part and that the applicant shall:

(1) Supply HUD with all available, relevant information necessary for HUD to perform for each property any environmental review required by this part;
(2) Carry out mitigating measures required by HUD or select alternate eligible property; and
(3) Not acquire, rehabilitate, convert, lease, repair or construct property, nor commit or expend HUD or local funds for these program activities with respect to any eligible property, until HUD approval of the property is received.

The environmental review process should be initiated as soon as the recipient knows or anticipates that VHRMP assistance has been requested or proposed for a project, most likely an application from a homeowner. The environmental review will be created and documented in HEROS by the VHRMP recipient or its environmental contractor and include documentation of the proposed activity, location, and impacts. HEROS walks users through the environmental review process and prompts users when to provide required documentation. Environmental review documentation includes all correspondence, reports, maps, studies and photographs, etc., that have been collected relative to the activity or project.

Only HUD staff may initiate the Section 106 of the National Historic Preservation Act or Endangered Species Act consultation process. For Section 106 the VHRMP recipient or its environmental contractors may gather information, including information from State Historic Preservation Office (SHPO) records, identify and evaluate historic properties, and make initial assessments of effects of the project on properties listed in or eligible for the National Register of Historic Places. This information should then be provided to ORHED so that HUD may initiate consultation. VHRMP recipients and their consultants should not contact tribes for any reason. For the Endangered Species Act, the VHRMP recipient or contractors may determine if the project involves any activities that have the potential to affect species or habitats, obtain a list of protected species and critical habitats from the US Fish and Wildlife Service (USFWS) website, and provide a recommendation to HUD whether or not a formal or informal consultation with USFWS is required. Only HUD may interact directly with USFWS to make a final determination.

Similarly, only HUD may compete the 8-Step Decision making Process which may be required to comply with HUD's Floodplain Management and Wetlands Protection requirements in 24 CFR 55. VHRMP recipients and their consultants should create a FIRMette with the site marked and identify whether the project site contains any floodplains. They must also determine whether there are any preliminary, pending, or advisory flood maps or elevations; if there are, these must be included as best available information (see 24 CFR 55.2(b)(1)). For projects involving ground disturbance, Partners should use the National Wetlands Inventory as a preliminary screening tool to determine whether the site contains a wetland. If the site contains a wetland, Partners should consult with HUD to determine whether to consult with US Fish and Wildlife or complete a wetlands delineation survey.

B. Responsibilities of HUD

In accordance with § 50.32, ORHED staff may use any information supplied by the recipient or its contractor, but are to independently evaluate the information, be responsible for its accuracy, and supplement the information, if necessary, to comply with 24 CFR Part 50, NEPA, and related Federal laws and authorities. ORHED will reject any proposals that have significant adverse environmental impacts.

The ORHED Director and staff must:

(1) Review the information supplied in HEROS for environmental compliance and maintain the Environmental Review Record;
(2) Make all compliance findings and conduct any additional compliance measures that can only be completed by HUD, including consultation under Section 106 and the Endangered Species Act and the 8-Step Decision making Process;
(3) Ensure that all properties are free of hazardous substances that could affect the health and safety of the occupants or conflict with the intended use of the site;
(4) Manage the public notification processes associated with compliance procedures for the related Federal laws and authorities, whenever such notification is required; and
(5) Make an independent evaluation of the environmental issues, take responsibility for the scope and content of the compliance finding or environmental assessment (EA), and document the environmental finding of no significant impact (FONSI) or finding of significant impact (FOSI), where applicable; and
(6) Require that any mitigation measures, conditions, or safeguards identified in the environmental review document be incorporated into design and completion of the project.

As soon as the project environmental review has been completed and approved by OHRED in HEROS, the recipient will be advised that it may proceed to commit and expend project funds. This authorization by HUD will also include any mitigation measures, conditions, and/or safeguards that must be incorporated into the project design and completion.

IV. ENVIRONMENTAL REVIEW

Following the project name and funding information in HEROS, the first step in the environmental review process is to define the project. The project description should cover the scope of the project and include all contemplated actions which logically are either geographically or functionally a part of the project, regardless of the source of funding. Once the project is defined, the level of review can be determined. HUD will use the project description provided by the VHRMP applicant to make the final determination of the project's level of review, but the applicant or their consultant may enter a preliminary selection into HEROS. ORHED staff should be consulted when entering the level of review.

The following chart gives general information about the level of review for VHRMP eligible activities.

VHRMP Eligible Activity	**Applicable Level of Environmental Review**
(A) Modification or rehabilitation of the primary residence of an eligible veteran, which may include (i) making physical modifications for accessibility in accordance with accessibility standards and reasonable accommodations in accordance with the Fair Housing Act, Section 504 of the Rehabilitation Act, the Americans with Disabilities Act, and the Architectural Barriers Act, as applicable, such as installing wheelchair ramps, widening exterior and interior doors, reconfiguring and re-equipping bathrooms (which includes installing new fixtures and grab bars), removing doorway thresholds, installing special lighting, adding additional electrical outlets and electrical service, installing appropriate floor coverings, lowering countertops and cabinets, or taking other measures to – (a) accommodate the functional limitations that result from having a disability, including not only motor impairment but also visual and hearing disabilities, and cognitive or psychological disabilities such as Traumatic Brain Injury or Post-Traumatic Stress; or (b) if the residence does not have modifications necessary to reduce the chances that an elderly person will fall in his or her home, reduce the risks of an elderly person from falling; or (ii) making physical modifications to facilitate care-giving, such as adding a bedroom or bathroom, to allow the veteran's caregiver(s), which may include the parent(s) or other family member(s) of the veteran, to live with the veteran, if the veteran's disability prevents the veteran from living independently; (iii) rehabilitating a residence that is in a state of interior or exterior disrepair, including remedying identified safety hazards or ensuring adequate safety features (such as fire prevention);	In most cases: Categorically Excluded, Subject to (CEST)[1] - § 50.20(a)(1) § 50.20 (a)(2)(i) [text provided on next page]. Note that repairs and rehabilitation of single family (four unit or fewer) residential properties are CEST unless (1) the density is increased beyond four units, (2) the land use is changed, or (3) the footprint of the building is increased into a floodplain or wetland.

[1] For CEST having the potential for significant impact because of extraordinary circumstances, HUD must prepare an EA. An example of extraordinary circumstance is when a proposed project is located in a geographic area known to be contaminated (e.g. National Priority List site, or a Formerly Used Defense Site).

(iv) installing energy efficient features or equipment (i.e., features or equipment that help reduce the amount of electricity used to heat, cool, or ventilate the residence, including insulation, weather-stripping, air sealing, heating system repairs, duct sealing, Energy Star appliances, energy efficient doors or windows, or other measures) if (a) the veteran's monthly utility costs for the residence is more than five percent of the veteran's monthly income; and (b) an energy audit of the residence indicates that the installation of energy efficient features or equipment will reduce the costs by 10 percent or more; and (c) carrying out other modification and rehabilitation activities to address the adaptive housing needs of the eligible veteran, if adequately justified and approved by HUD.	
(B) Provision of technical, administrative, and training support to an affiliate of a recipient in connection with modification and rehabilitation services provided under VHRMP.	Categorically Excluded, Not Subject To (CENST) §50.19(b)(3) Administrative and management expenses §50.19(b)(9) Technical assistance and training

§ 50.20 – Categorical Exclusions subject to the Federal Laws and Authorities cited in § 50.4.

(a) The following actions, activities, and programs are categorically excluded from the NEPA requirements for further review in an Environmental Assessment or an Environmental Impact Statement as set forth in this part. They are not excluded from individual compliance requirements of other environmental statutes, Executive orders, and HUD standards cited in § 50.4, where appropriate. Where the responsible official determines that any proposed action identified below may have an environmental effect because of extraordinary circumstances (40 CFR 1508.4), the requirements for further review under NEPA shall apply (see paragraph (b) of this section).

(1) Special projects directed to the removal of material and architectural barriers that restrict the mobility of and accessibility to elderly and persons with disabilities.

(2) Rehabilitation of buildings and improvements when the following conditions are met:

(i) In the case of a building for residential use (with one to four units), the density is not increased beyond four units, the land use is not changed, and the footprint of the building is not increased in a floodplain or in a wetland;

Once the level and scope of the environmental review has been determined, the recipient will provide documentation of compliance with the Related Laws and Authorities under § 50.4 in HEROS. Documentation includes all correspondence, reports, maps, studies and photographs, etc., that have been collected. ORHED will independently evaluate and complete the environmental analysis based on the documentation provided by the recipient.

V. RESOURCES

A. Environmental consultant and administrative costs

VHRMP administrative funds may be used to obtain a consultant to provide the required environmental documentation. Under § 50.19(b)(1) and (3), a Categorically Excluded Not Subject to § 50.4.

B. HUD Environmental Resources

For more information on preparing environmental reviews, see the HUD environmental website at: https://www.hudexchange.info/environmental-review/

The Web-Based Instructional System for Environmental Review (WISER) teaches grantees how to understand and address all aspects of the environmental review required for all HUD-assisted projects. This set of self-paced online learning modules can be completed in any order and is found at: https://www.hudexchange.info/trainings/wiser/

C. Directory of Field Environmental Officers

Locate your nearest HUD Regional or Field Environmental Officer: https://www.hudexchange.info/environmental-review/hud-environmental-staff-contacts/

D. HUD Environmental Review Online System (HEROS)

For general information about HEROS, including links to training materials and resources, see the HEROS website at: https://www.hudexchange.info/programs/environmental-review/heros/

E. For more information about the VHRMP, see the VHRMP website at: https://www.hudexchange.info/programs/rural/veterans-housing-rehabilitation-and-modification-pilot-program/