




OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

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MEMORANDUM FOR: Regional Environmental Officers
Field Environmental Officers

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SUBJECT: Strategies to Expedite Environmental Reviews for NSP2

This memorandum provides strategies to expedite environmental reviews for NSP2 program.

Overview of Different Approaches: Batching, Tiering, Neighborhood Target Reviews

Batching, Tiering and Neighborhood Target Reviews are approaches that can help expedite the environmental review process for NSP2 grants. The TA provider and/or HUD may recommend one of these approaches depending upon the nonprofit's internal capacity and program design.

Batching refers to a single submission of numerous residential properties (up to 100 single family). The single submission is only appropriate where the environmental conditions for the properties are identical and the properties are in close proximity to one another.

Tiering is a process that focuses on a limited geographic area to address and analyze environmental impacts related to the proposed activities that might occur on a typical project site within that area. Once individual project sites are located, any remaining environmental compliance issues that could not be resolved until project locations became known are completed, according to standards for approval previously established for the target area.

Finally, a Neighborhood Target Review is always limited to acquisition, minor rehabilitation and/or disposition of existing single family homes. In essence, a Neighborhood Target Review is a specific form of a Tiered review, that because its limited activities are within a limited geographic area, environmental clearance is achievable for a neighborhood, allowing acquisition of existing single family homes *without* a site-specific review.

Neighborhood Target Reviews

Neighborhood Target Review: This policy is limited to the acquisition, disposition, and/or minor rehabilitation (rehab costs are less than 50% of the market value of structure, **or** if the structure has been damaged and is being restored, 50% of the value before the damage occurred) of single family homes. Minor rehabilitation includes minimal ground disturbance.

A Neighborhood Target Review allows for a defined area to undergo environmental analysis and review at sufficient detail that a site-specific review is not necessary, enabling a grantee to acquire a set amount of properties within the defined neighborhood without undertaking a site-specific review. ***This review could be completed prior to the identification of the individual sites for purchase so long as they fall within a defined geographic zone and scope of activities.***

Neighborhood Target Reviews rely upon area wide surveys and studies; therefore, this approach is only recommended when the grantee is able to procure environmental staff and/or consultants with knowledge and experience with historic property surveys, area wide screening for toxic and hazards¹, and flood insurance. Any properties that require mitigation for toxics and hazards or historic preservation need to be identified in the Neighborhood Target Review – these properties will require a site-specific review and cannot be cleared on an area review, without prior approval from HUD staff for Part 50 reviews or Responsible Entity staff for Part 58 reviews, to ensure the level of analysis is specific enough to identify appropriate and individual mitigations.

Given the right circumstances, the Neighborhood Target Review approach may provide some grantees with greater flexibility in quickly acquiring properties as they become available. This method may provide the grantee with greater flexibility and fewer processing barriers while providing a more comprehensive approach to analyzing environmental conditions in environmentally homogenous target areas with few environmental concerns. However, it is not a method that could be used with success in every area. Certain areas may prove too impact rich, prohibitively expensive, or time-consuming. Identifying standard mitigation measures in advance may prove unfeasible in complex situations. Projects involving property demolition, reconstruction, new construction activities, or face other complex issues, cannot be used for this expedited approach because individual studies or consultation would be required for each property.

¹ Note: Environmental professionals with experience preparing and reviewing ASTM reports have the necessary skills to evaluate the required Environmental Data Registry (EDR) report (or its equivalent) to identify areas that, based upon available information, will not be affected by toxics or contamination.

Project Description:

A project may be defined to include more than one property at a time. Under the principle of aggregation, geographically close or functionally interdependent activities should be evaluated as a single project. When multiple units are proposed for similar activities within a clearly defined target area, an aggregated review can be performed to the extent that a meaningful evaluation of the environmental impacts can be conducted. An accurate and finite project description that informs decision-makers and the public what is proposed and where it is proposed is always required.

The degree of project aggregation should be based on the level of project complexity and homogeneity of the target area or neighborhood. For example, a Neighborhood Target Review could be used to clear an entire subdivision or neighborhood for the purchase, minor rehabilitation and resale of a defined number of foreclosed units. The project description must include the maximum number of houses that the grantee will purchase within this identified target neighborhood. Furthermore, the project description must clearly define the geographic boundaries of the target neighborhood – the target neighborhood boundaries will vary in accordance with the physical environment of the particular area; however, the neighborhood target area cannot be larger than one census tract, and in most instances may be much smaller.

Finally, the project description should exclude properties that face complex issues such as historic properties, properties that are within the 100 year flood zone or properties that are impacted by toxics and hazards. Such properties may be subject to site-specific reviews to identify appropriate mitigations.

Historic Preservation:

Because of the statutory/regulatory requirement to afford State/Tribal Historic Preservation Offices (SHPO/THPO) a minimum 30 day period to comment on each undertaking, Historic Preservation will normally be the most time-consuming environmental review factor for projects involving minor exterior rehabilitation or disposition activities. Therefore, reviewers should consider strategies to resolve historic preservation (HP) in a timely fashion, such as a Programmatic Agreement.

Appropriate alternatives to achieve HP compliance for Neighborhood Target Reviews will hinge upon the program design. A Neighborhood Target Review identifies a single-family residential subdivision or discrete neighborhood where the grantee intends to sponsor many acquisition-rehabilitation-disposition activities. If the project description is strictly limited to interior rehabilitation, maintenance, acquisition and disposition, **or** if **all** properties in the Neighborhood Target Review are documented to be less than 50 years old (*SHPO/THPO preferences may vary*), the Agency (HUD for Part 50 reviews, Responsible Entity for Part 58 reviews) may make a “no potential to cause effects” on historic properties determination and unilaterally conclude the Historic Preservation review.

On the other hand, if the project description includes exterior rehabilitation activities and if that target area contains some properties over 50 or more years old, a cultural resources survey

should be done at the earliest opportunity and submitted to SHPO/THPO for comment, identifying few or even no historic properties. If SHPO/THPO agrees with that determination, or fails to object after 30 days, every subsequent activity affecting non-historic properties in the target area would NOT be subject to any further SHPO/THPO consultation and delays. This target area approach for a cultural resources study is also very feasible in localities where a Certified Local Government has already undertaken surveys of historic properties. By excluding the historic properties from the Neighborhood Target Review, the rest of the neighborhood review can be expedited for environmental clearance, while the historic property can be subjected to a separate environmental review including the required consultation process.

Flood Insurance:

The same Neighborhood Target Review area could then be compared to FEMA floodplain maps. Addresses within the target area that fall in a mapped 100 year flood zone would be identified in the review. In the project description, the grant recipient may exclude these special flood hazard properties from the target neighborhood review. The floodplain risks and lifelong costs associated with flood insurance should be considered prior to inclusion of these properties in a project. If any floodplain properties are to be purchased or rehabilitated, then property address, proof of purchase and maintenance of flood insurance documentation are required. As long as the activities being considered are outside of the floodway and limited to acquisition and minor rehab of single family homes (defined as 1-4 units per site), no additional floodplain management compliance is required. HUD financial assistance may not be used for floodway activities other than functionally dependent uses. Floodplain restoration and associated demolition of structures are considered functionally dependent uses. This same target area approach may apply to coastal zones, airport clear zones, prime farmland, and coastal barrier compliance.

Toxics and Hazards:

Toxics and hazards are another aspect that must be reviewed for compliance for acquisition and rehabilitation activities. For the purpose of a Target Neighborhood Review, an Environmental Data Registry (EDR) database report or its equivalent would need to be acquired for the target area and supplemented with field observations. These database searches identify any properties with the potential for Recognized Environmental Concerns (REC's) within a target radius. These reports are easy to obtain and relatively low in cost. If the review shows that the area is free of toxic spills and hazards, the review can proceed with no conditions. If there are properties identified within the area that are recognized hazards, the project description should exclude them. If acquisition of these properties is still desired, an individual site-specific review detailing the approved mitigation protocols will be required.

Summary

The Neighborhood Target Review approach described above is a useful tool to expedite environmental reviews for limited activities within a limited geographic area that has few environmental complications. This approach is recommended only when the grantee is able to procure environmental staff and/or consultants with knowledge and experience with historic

property surveys, area wide screening for toxics and hazards, and flood insurance. Any properties that are excluded from the project description due to complicating environmental issues may be funded with HUD funds; however, the property will be subject to a site-specific review.