

Attachment F: Environmental Reviews

Projects that are entirely or partially funded by Federal funds require a review under the National Environmental Policy Act of 1969 (NEPA), generally referred to as the “environmental review.” This review is extensive and different than the Phase I environmental assessment completed as part of a developer’s due diligence. However, in completing an Environmental Review, staff will utilize the Phase I Environmental Site Assessment. All applications to the Housing Department should include a Phase I.

Timing

It is difficult to determine the timeline for completion of an Environmental Clearance Request (ECR) because it is affected by the findings of the review (24 CFR Part 58 and 40 CFR Parts 1500 through 1508) in up to 52 subject areas. An ECR completed with no impacts (**Finding of No Significant Impact** or “FONSI”) to the environment can be completed in about three to four months. Projects with some impacts, but that are mitigated will be subject to the Federal advertising (24 CFR 58.43) and public comment periods (24 CFR 58.45) which adds 30 to 45 days.

Factors which cause more time to be added to a project schedule include: exceptional circumstances (24 CFR 58.46), archaeological testing and excavation, historic preservation approvals for design (including the State Historic Preservation Office), biological surveys (e.g. the potential for burrowing owls), or Sec. 404 (Waterways of the U.S.) permitting. Asbestos removal, requiring a Maricopa County permit, and certain flood zone projects also require a public notification and comment period.

Environmental Review Process

Housing Department staff will generally begin the Environmental Review once all funding has been tentatively approved for the subject project (i.e. the award or reservation of Low-Income Housing Tax Credits, etc.). The Housing Department will begin the Environmental Review process after funding reservations are confirmed and needed environmental documentation has been submitted. Within 90-days of the receipt of all needed environmental documentation and the kick-off of the environmental review process, the developer will be notified of any known environmental concerns. Unfortunately, we cannot guarantee that new issues will not arise with a final application submittal and a formal environmental review. Additionally, the following items must be completed and submitted with an application to ensure that a complete ECR can be processed. Failure to provide these items will delay the process. Required items are:

- Phase I
- Phase II (if applicable) please note that projects within or near a superfund site will require Phase II testing and EPA approval for all mitigation requirements.
- HUD Figure 19 if noise mitigation is required
- Market Study
- A budget of total development costs
- Environmental Assessment Narrative (sample in Affordable Housing Loan Program Application)
- Project Zoning Confirmation
- Pre-Application Comments
- Building Plans
- Scope of Work or third party needs assessment (if rehabilitation)
- Site Plan (new construction)
- Relocation Plan (if applicable)

Mitigation Requirements

All mitigation requirements will be included in the Loan Agreement to ensure compliance with environmental requirements. Please consider the following potential mitigation requirements as they may be applicable to your project and will need to be considered when establishing a Development Budget:

1. **Radon Mitigation** –

- a. **New Construction Projects** - the following radon mitigation measures will be required. The developer is required to include a vapor barrier designed to prevent the migration of radon through the foundation/floor slab as part of the building design and construction. Additionally, post construction testing in accordance with the protocols set by the American Association of Radon Scientists and Technologists, Protocol for Conducting Radon Decay Product Measurements in Multifamily Buildings (ANSI-AARST MAMF-2012, Section III, or similar section in the most recent addition) is required. Mitigations will be incorporated into the Loan Agreement to ensure compliance.

Major Rehabilitation Projects – Pre and post construction radon testing. If pre-construction measures identify elevated radon measures, then radon mitigative systems must be installed (this will be defined by the Environmental Specialist). Post construction testing will be required to ensure mitigations effectively mitigate radon.

Don't Spend Project Funds

If federal funds are required to make a project feasible, then the following items need to be completed prior to any activity or expenditure of funds from any source on the project:

- City of Phoenix City Council approval for commitment and expenditure of funds must be obtained.
- Federal regulations require that an environmental review be completed, and a Release of Funds obtained from HUD.
- A soft-cost environmental clearance may be provided to projects who apply for funds prior to pre-development activities. This will allow for reimbursement of these costs once the environmental clearance is complete and if soft costs are covered in the construction budget which is part of the City's Loan Agreement.

Funds expended after making application to the City and prior to an Environmental Clearance are done solely at the risk of the borrower and will make the entire project ineligible for federal funds.