

CHAPTER 8. PROCEDURE FOR ENVIRONMENTAL CLEARANCE OF  
HUD INSURED PROJECTS, SUBDIVISIONS AND  
LOW RENT HOUSING PROJECTS

8-1. PURPOSE. To provide a systematic procedure for processing environmental clearances for all HPMC proposals meeting threshold requirements. The procedure eliminates the need for the sponsor to submit an ECO-1 with his application and provides for a simplified form to be utilized as the vehicle for Normal and

Special

Environmental clearances.

8-2. DEFINITIONS. The term "Multifamily Projects" covers all projects processed under multifamily procedures including projects involving

living units, nursing home beds, group practice facilities, mobile home park spaces, etc. "Subdivisions" includes any kind of home mortgage, land development proposal and Title X

proposals.

8-3. THRESHOLDS.

a. Normal Clearance.

- (1) Multifamily Projects: 5 units or more and all nursing homes and group practice facilities.
- (2) Multifamily Projects under Section 223(f): Any project, without regard to size.
- (3) Subdivisions: Any proposal processed as a subdivision.

b. Special Clearance.

- other
- (1) Multifamily Projects: 200 units (beds) or more or projects in excess of \$5,000,000 requested mortgage amount.
  - (2) Subdivisions: Typical proposed lot size 6000 sq.ft. or greater - 100 units or more.
  - (3) Typical proposed lot size under 6000 sq. ft. 200 units or more,

c. Environmental Impact Statement (EIS).

- (1) Multifamily Projects and Subdivisions - 500 units or more.
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(2) It is recognized that in high density areas size alone need not necessarily imply a significant impact on the quality of the human environment. Therefore, special exemption to this threshold requirement may be granted by the Assistant Secretary for CPD where typical densities in the immediate environs of the proposed multifamily project exceeds 50 units per acre (LUI of

to 7.3). (Area wide waivers may be granted for large dense urban areas or sections thereof having such densities and meeting criteria established by the Assistant Secretary for CPD. Delegations of authority to approve such waivers may be granted to the Regional Offices at the discretion of the Assistant Secretary for CPD.)

(3) All projects which are determined to have a significant impact on the quality of the human environment.

d. Thresholds are Automatic Triggers. Any project irrespective of threshold limits may require a more intensive environmental review depending upon findings during the environmental assessment.

8-4. NORMAL AND SPECIAL ENVIRONMENTAL CLEARANCE PROCESSING.

Processing

will be initiated in every instance by the appraiser assigned to process the SAMA application or other initial project application or ASP-1 Subdivision Application. The appraiser will analyze the site in accordance with outstanding processing instructions and will utilize environmental criteria in preparing the Normal and Special Environmental Clearance. The appraiser will request and obtain interdisciplinary assistance as needed. Additional information may also be requested from the sponsor, but the

burden

of assessing environmental impact is with the HUD office and not with the sponsor. Requests for additional information should be limited to those instances involving information which is not obtainable by HUD technical personnel.

8-5. REVIEW OF NORMAL ENVIRONMENTAL CLEARANCE.

a. Where no Marginal or Unacceptable Ratings are Assigned to any item, the appraiser will recommend acceptability of the proposal on environmental grounds and will date and sign the form and forward it to the Chief Appraiser for concurrence

and routing to the Chief Underwriter. After signature by the Chief Underwriter a copy will be routed to the Environmental Clearance Officer for his files.

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(8-5) b. Normal Clearance with Marginal Ratings. Where a marginal (B) rating is assigned to any item, the appraiser will prepare a memorandum attachment to the report with his findings and recommendations with respect to the marginal component.

(1) The recommendation may involve corrective measures to overcome the marginal component, a recommendation to accept the marginal component because of its minimal impact, or a recommendation for further study and by whom. In the latter instance and upon concurrence by the Chief Appraiser and the Chief Underwriter, the

report

is transmitted to the HPMC specialist for resolution.

(a) Recommendations from the specialist must be made within ten working days of transmittal.

(b) If sponsor input is required, the appraiser will prepare the letter for the Chief Underwriter's signature describing the problem encountered and the action required of the sponsor in order to arrive at a decision on environmental clearance.

(c) The letter will include a response deadline.

(2) Marginal ratings due to relatively serious problems may be cause for rejection unless adequately mitigated by ameliorative measures.

c. Normal Environmental Clearance with an Unacceptable Rating. Where an unacceptable rating is assigned to any item, the appraiser will consult with, and obtain the concurrence of, the Environmental Clearance Officer concerning further disposition of the proposed action, i.e., rejection, modification, further study, preparation of a Special Clearance, or preparation of an EIS.

(1) The memorandum attachment of findings and recommendations will be appended to the environmental clearance form.

resolved (2) If the unacceptable rating can be satisfactorily  
or mitigated, and if no further clearance is required,  
the report will be routed to the Chief Appraiser, Chief  
Underwriter and the Environmental Clearance Officer for  
concurrence, after which the environmental findings will  
be incorporated into the letter to the sponsor on  
project feasibility.

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(3) With respect to projects under Section 223(f), if an unacceptable rating is assigned for any item, and if following consultation and concurrence of the Environmental Clearance Office the proper disposition of the proposed action is determined to be preparation of a Special Clearance, or the preparation of an EIS, then the project shall be rejected.

8-6. REVIEW OF SPECIAL ENVIRONMENTAL CLEARANCE. Special Clearance processing is identical to Normal Clearance processing described in paragraph 8-5. above except as follows:

- a. The Concurrence of the Environmental Clearance Officer is required on every Special Clearance. The Environmental Clearance Officer will respond within ten working days without exception. A response is constituted by concurrence or a request for more information or analysis. If the response is not made within that time, the Chief Underwriter will assume concurrence with the findings of his office and will proceed accordingly.
- b. Special Clearance with Marginal Ratings. Processing is in accordance with paragraph 8-5.b. above except that where marginal ratings are due to serious problems, a full Environmental Impact Statement may be required if such problems cannot be mitigated by interdisciplinary assistance. If there remains significant environmental impact, an EIS should always be prepared. Where this decision is reached and concurred in by the Chief Appraiser, the Chief Underwriter and the Environmental Clearance Officer, the sponsor will be so notified and advised of the expected processing time which will be involved.

c. Special Environmental clearance with an Unacceptable Rating. Where an unacceptable rating is assigned to any item, the appraiser will consult with, and obtain the concurrence of, the Environmental Clearance Officer concerning further disposition of the proposed action, i.e., rejection, modification, further study, or the preparation of an EIS. The memorandum attachment of findings and recommendations will be appended to the form. If the unacceptable rating can be satisfactorily resolved or mitigated, and if no further clearance is required, the report will be routed to the Chief Appraiser, Chief Underwriter and Environmental Clearance Officer for concurrence. The environmental findings will then be incorporated into the letter to the sponsor on project feasibility.

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8.7. FULL ENVIRONMENTAL IMPACT STATEMENT (EIS). Preparation of an EIS is the responsibility of the Housing Division staff.

Assistance

will be obtained from the Environmental Clearance Officer (ECO) and other specialists as appropriate. The EIS must have concurrence of the Regional Administrator or his/her ECO prior to distribution. It is imperative that the sponsor be advised immediately of the expected processing time whenever an EIS is to be required.

8-8. ENVIRONMENTAL PROCEDURAL PROBLEMS RELATING TO THE NORMAL AND SPECIAL CLEARANCE. Problems involving the procedures described above may be referred directly to Headquarters.

a. Problems Involving the Functions of Housing personnel should be addressed to:

Department of Housing and Urban Development  
Environmental Clearance Officer for Housing  
451 7th Street, S.W.  
Washington, D.C. 20410

b. Problems Involving Environmental Clearances and Functions of the Environmental Clearance Officer should be addressed through the Regional Office Environmental Clearance Officer

to:

Department of Housing and Urban Development  
Director, Office of Environmental Quality  
Community Planning and Development  
451 7th Street, S.W.  
Washington, D.C. 20410

- 8-9. REPORTING ON ENVIRONMENTAL WORKLOAD. In order to manage the processing of environmental reviews, and to insure that staff is adequately provided for that processing, information on workload and processing times shall be reported quarterly. Form HUD-5430, Quarterly Report of Environmental Workload, shall be used to collect this information on Subdivisions, Title X, HUD-Insured Multifamily, Section 8, Low-Income Public Housing and Indian Housing projects. See Appendix C for the detailed reporting instructions.

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- (8-9) a. The original of Form HUD-5430 shall be completed and forwarded to:

U.S. Department of Housing and Urban Development  
Management Information Systems Division  
Mortgagee Activities Branch  
451 7th Street, S.W.  
Washington, D.C. 20410

- b. Responsibility for Preparation of Form HUD-5430. This form shall be prepared by the Director, Housing Development Division/Service Office Supervisor in each Field Office. He/she shall coordinate with other program staff in the Field Office to maintain this information. Where there is a Director, Office of Indian Programs, a separate report shall be prepared by that office.

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