

## **Attachment E: 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 four to six 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 add 30 to 45 days to above mentioned 4-6 months.

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.

### **Get Started Early**

By notifying the Housing Department early about upcoming development plans, developers can assist staff to initiate environmental reviews for the most time consuming subjects. Within 90 days, 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. A full environmental review will not be initiated until a completed application is received. Additionally, the following items must be completed and submitted with an application to insure that a complete ECR can be processed. Failure to provide these items will delay the process. Required items are:

- A Budget of total development costs
- Environmental Assessment Narrative (sample in Affordable Housing Loan Program Application)
- Project Zoning Confirmation
- Pre-Application Stipulations (if applicable)
- Building Plans
- Asbestos Report (if applicable)
- Scope of Work or third party needs assessment (if rehabilitation)
- Site Plan (new construction)
- Relocation Plan (if applicable)

### **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 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 so at the risk of the borrower and will make the entire project ineligible for federal funds.