



Questions and Answers for Office of Multifamily - **EXCERPT**

Coronavirus (COVID-19)

Environmental Review

General MFH

Q1: Will MFH allow any additional flexibility, specifically around requirements for on-site surveys or testing related to asbestos, lead-based paint, and radon considering the COVID-19 emergency?

A: Production: For MF FHA-insured lending, in situations where interior access to the subject property is limited, and the asbestos surveys, lead-based paint hazard evaluations, and/or radon testing cannot be completed prior to application submittal, MFH Production will allow lenders to submit applications without these reports. However, MFH Production will require these reports before issuing a Firm Commitment. For new construction and substantial rehabilitation properties where asbestos clearance sampling, lead clearance examinations, or radon testing takes place after construction, all mitigation reports, including follow-up sampling, examinations, or testing, must be submitted to HUD staff at the final completion inspection, before occupancy.

Recapitalization: For RAD conversions, MFH Recapitalization (Recap) is developing instructions for the completion of asbestos surveys, lead-based paint surveys, and/or radon testing in situations where COVID-19 considerations impact site visits. Recap is also developing instructions regarding Section 106 consultation in light of the closure of some State Historic Preservation (SHPO) and Tribal Historic Preservation (THPO) offices. However, MFH Recap will require these reports before issuing a RAD Conversion Commitment. These instructions will be available in a future Q&A supplement.

Multifamily Production

Q2: Will MFH Production relax its site visit requirements for FHA site inspections as part of the environmental review process?

A: HUD currently requires a site inspection for all environmental reviews. Each Regional Production Director can waive this requirement on a case-by-case basis for currently insured or non-insured applications (for refinance or new construction) for which an environmental report has been

submitted in HEROS with no significant issues. Examples of significant issues include but are not limited to Underground Storage Tanks (UST); site contamination, onsite or adjacent floodplain or floodways, above-ground tanks within the acceptable separation distance, and noise levels greater than 65db that would require mitigation.

If a property meets the criteria for a significant issue, HUD will continue processing the application without a site visit, but must have a HUD site inspection prior to the issuance of the firm commitment. In the event that a property is not able to be accessed for a prolonged period due to COVID-19 concerns, HUD may consider alternatives to site inspections on a case-by-case basis.

(Updated on 4/2/20)

Q3: Will MFH Production allow any additional flexibility for compliance with the requirements for site reviews for Phase I ASTM Environment Site Assessments considering the COVID-19 emergency?

A: Yes, HUD will provide some flexibility as outlined below, depending on the type of assessment.

Interior assessments: For Phase I Environmental Site Assessments (ESAs) performed on projects where the preparer is unable to access the interior of the building due to COVID-19, HUD will permit an exterior only inspection provided the ESA is conducted in accordance with ASTM E1527-13 (or most recent version) and the ESA preparer has another adequate means of viewing the interior (e.g. an onsite rep live streams a facility walk-through.)

Exterior assessments: If traveling to the site is not practicable (e.g. due to governmental restrictions on travel or shelter in place/quarantine orders), HUD will accept the ESA without a visit to the site for projects already in HUD's portfolio or new to HUD's portfolio with up to Level 3 repairs as long as the site is considered low risk based on current and historical uses.

Sites with past, current or adjacent uses that include but are not limited to underground storage tanks, contaminated soil or groundwater, dumps, solid or hazardous waste landfills, brownfields or superfund sites require an in-person site visit by the ESA preparer.

ESA reports without a physical site visit must:

- Explain the reason why a site visit did not take place,
- Meet the ASTM E1527-13 standard (or most recent version), and
- Include adequate means of viewing the interior and exterior (e.g. an onsite rep could live stream a walk-through of the facility and grounds, send photos and video of the site and grounds.)

For all new construction and substantial rehabilitation projects, and 223(f)s that do not meet the low risk criteria, the ESA preparer must conduct an in-person site visit. However, HUD will accept a draft ESA report that includes all information except the physical site visit (the preparer must view the interior and exterior by other means) for purposes of submitting the pre-application or application. The final ESA with the site visit must be submitted before HUD will issue a Firm commitment.