MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
ENVIRONMENTAL REVIEW (ER) PROCESS

STEP I: SPONSOR PRE-REVIEW.

A. Sponsor should obtain and familiarize themselves with the following documents which are available from MSHDA’s web site:

   1. List of MSHDA prequalified consultants.
   2. Most current MSHDA Environmental Review Requirements.
   4. MDEQ document entitled “IMPORTANT NOTICE for Baseline Environmental Assessments (BEAs)”.
STEP IIA: MSHDA PHASE I ENVIRONMENTAL SITE ASSESSMENT

Required for intake and/or tax credit applications.

SPONSOR

Retains environmental consultant to perform AAI Phase I report meeting MSHDA Environmental Review requirements and submits report to MSHDA by program deadline.

MSHDA

MSHDA environmental review (ER) staff conduct Phase I review.

Corrects any deficiencies and resubmits.

If Phase I identifies any Recognized Environmental Conditions (RECs), the sponsor must complete a Phase II investigation. Proceed to Step III.

If deficiencies in Phase I ESA are identified, comments and follow-up provided to the sponsor and/or the sponsor’s consultant. MSHDA ER staff will communicate findings to the appropriate program.

If no RECs are identified and no additional comments or issues are raised, MSHDA ER staff will notify the appropriate program that the Phase I is acceptable and the review for the project is complete.

Estimated MSHDA review time frame: 15 business days.
STEP IIB: NEPA (PART 58) ENVIRONMENTAL REVIEW –

Report required for intake and/or tax credit applications that request any sources of federal funds such as HOME, Project-Based Vouchers, NSP, CDBG, or RAD.

**SPONSOR**

Retains “Group B” environmental consultant from MSHDA prequalified consultant list to prepare the correct NEPA documentation for the project per HUD requirements.

**MSHDA**

Review NEPA report for accuracy. If NEPA is not complete, then MSHDA to provide written comments to have the report corrected and resubmitted. *Estimated MSHDA review time frame: 15 business days.*

Sponsor’s consultant corrects report and resubmits if necessary.

Review NEPA and issue appropriate finding, and begin publishing process. Upon completion of public notice period, MSHDA will request HUD approval. **NEPA process completed.**

See NEPA Fact Sheet attached to MSHDA Environmental Review Requirements for more information.

*(Estimated time for the publishing process is 45 days, if no public comment is received.)*
**STEP III: IF RECs ARE IDENTIFIED IN THE PHASE I REPORT, A PHASE II REPORT IS REQUIRED.**

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<tr>
<th>SPONSOR</th>
<th>MSHDA</th>
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<tbody>
<tr>
<td>Sponsor’s consultant prepares a Phase II Scope of Work (SOW) to investigate identified RECs and provides this to MSHDA for review.</td>
<td>Approval given or if issues are raised, comments will be provided and discussed with sponsor and/or the sponsor’s consultant in an attempt to resolve the differences. <em>Estimated MSHDA review time frame: 10 business days.</em></td>
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<tr>
<td>Sponsor’s consultant conducts Phase II work.</td>
<td>In the event issues are not resolved to the satisfaction of either the sponsor or MSHDA ER staff, the matter will be referred to the MSHDA Environmental Review Committee (ERC).¹</td>
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**If Phase II investigation shows that site is not a “facility,”** sponsor provides final Phase II report to MSHDA.

**If site is shown to be a “facility,”** proceed to Step IV.

**If site requires further Phase II investigation,** proceed to Step IIIA.

MSHDA reviews and files Phase II report and issues approvals.

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¹ The Environmental Review Committee (ERC) meets bimonthly or as needed. Its responsibilities include: making recommendations to the Loan Committee on whether to approve/reject a project based on environmental conditions onsite, approve MSHDA environmental guidance documents and the MSHDA prequalified consultant list, and make recommendations to the MSHDA Board of Directors and MSHDA Loan Committee as necessary for policy decisions.

01/05/2015
STEP IIIA: ADDITIONAL PHASE II WORK – as needed to further resolve REC’s, define extent of contamination, determine remedial actions, or for the approval of a new SOW.

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<tr>
<th>SPONSOR</th>
<th>MSHDA</th>
<th>MSHDA PEER REVIEW CONSULTANT (If applicable)</th>
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<tr>
<td>Sponsor’s consultant prepares a SOW and work plan for review.</td>
<td>Conducts review of SOW or, if elected, selects an appropriate consultant from MSHDA’s prequalified consultant list to perform a peer-review.</td>
<td>If needed, peer-review consultant reviews SOW and Work Plan and provides written comments. <em>Estimated Peer Review time frame: 10 business days.</em></td>
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<tr>
<td>Consultant receives written comments and modifies proposal.</td>
<td>Facilitates the report submissions by setting deadlines for reviews and ensuring the consultants complete the work as requested.</td>
<td>If modifications needed, submit written comments to Consultant to change.</td>
</tr>
<tr>
<td>Submits final SOW/Work Plan to MSHDA.</td>
<td>Final SOW and Work Plan provided to MSHDA. If needed, MSHDA ERC decides whether or not to proceed with project or to modify plan. Committee provides decision to Loan Committee/program.</td>
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<td>If additional work is approved, proceed to Step IIIB.</td>
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**STEP IIIIB: SPONSOR COMPLETES ADDITIONAL PHASE II WORK OR REMEDIAL ACTIVITY AS REQUIRED.**

**SPONSOR**

Sponsor’s consultant completes additional Phase II/remedial work. Reports results to MSHDA or peer-review consultant, if applicable. Report to include all estimated remedial costs.

**MSHDA**

Facilitates the report submissions by setting deadlines for reviews and ensuring the consultants complete the work as requested.

If additional work needed, return to Step IIIA. If no additional work needed, proceed to finalizing report.

**MSHDA PEER REVIEW CONSULTANT (If applicable)**

Peer-review consultant reviews report and provides written comments. 
*Estimated review time frame: 10 business days. (Peer-review consultant to promptly identify if 10 business days is sufficient or if more time is needed.)*

Sponsor’s consultant submits final report.

Final report (including estimated remedial costs and Operation & Maintenance (O&M)) to MSHDA.

Loan Committee/program to determine whether to continue to fund project or to request modifications and provide written report of recommendations.

Review reports and provide written comments. If modifications are needed, submit to sponsor’s consultant for changes.

If approval is provided by Loan Committee/program, proceed to Step IV.

01/05/2015
STEP IV: IF SITE IS A “FACILITY,” UNDER PART 201 –

The sponsor’s consultant prepared and submitted a Baseline Environmental Assessment (BEA) and Documentation of Due Care Compliance (DDCC) to MDEQ for review. MDEQ approval of the DDCC must be obtained prior to initial closing, NEPA approval to publish, and/or the issuance of the tax credit reservation letter.

**SPONSOR**

Sponsor’s consultant prepares and discloses BEA to MDEQ.

Documentation of Due Care Compliance (DDCC) or Remediation Plan to be submitted to MDEQ for review. Sponsor’s consultant to coordinate activities in a timely manner to minimize delays.

**MSHDA**

The BEA and DDCC or Remediation Plan with required MDEQ submittal forms are submitted by the sponsor. MSHDA records receipt of documents for tracking purposes. A DDCC is not required if remedial actions are planned that will eliminate facility status. If the sponsor chooses to clean up the site, they will submit a Remediation Plan for MDEQ review.

If federal funding is involved, the DDCC will need to meet federal standards which in some cases may be stricter than MDEQ minimum requirements.

Sponsor to provide MDEQ DDCC approval letter, including a written plan and timeline for meeting any conditions noted in the MDEQ letter.

Sponsor obtains bid(s) for Due Care response activities and revised Trade Payment Breakdown (TPB) line item to show environmental cost.

Reviews and maintains MDEQ DDCC approval letter in project file. Sponsor submits a copy of MDEQ’s plan review approval letter and a copy of bids for the environmental work required for Due Care or Remediation.

Once Due Care and/or Remediation Activities are complete, proceed to Step V.
STEP V: COMPLETION OF APPROVED DUE CARE PLAN OR REMEDIAL ACTION PLANS

The sponsor’s consultant prepares and submits an MDEQ “No Further Action Report” (NFA) or Certificate of Completion (COC), as appropriate per MSHDA policy (see COC eligibility criteria document), to MDEQ. MDEQ’s NFA or COC approval letter is required prior to final closing and/or the issuance of the tax credit (8609).

**SPONSOR**

Sponsor’s consultant determines whether a NFA or COC is appropriate closure for the project, based on MSHDA policy and consultation with MSHDA ER staff.

Sponsor’s consultant prepares and submits a NFA or COC to MDEQ for the purpose of obtaining an appropriate approval letter showing that Due Care response activities or remedial actions are in place and have been completed.

Sponsor to prepare and submit a plan and timeline for addressing any conditions noted by MDEQ.

**MSHDA**

MSHDA receives and records MDEQ’s NFA or COC letter and updates NEPA documentation in the project folder.

If NFA or COC letter cannot be obtained, sponsor proceeds to MSHDA ERC to determine next steps, if any.
MSHDA Environmental Review Committee (ERC) process

**SPONSOR**

Sponsor’s consultant prepares a summary review of the problem(s) and proposed scope of work (SOW) to address the issue(s).

**MSHDA**

Conducts review or selects appropriate peer-review consultant for project. If peer-review, MSHDA to obtain a minimum of three bids from the prequalified consultants list.

MSHDA ER staff prepares a summary review and presents findings to MSHDA ERC.

*Estimated report time: 15 business days.*

MSHDA ERC reviews documentation and provides a written determination. MSHDA ERC may seek additional information from other professional and technical resources as needed.

**MSHDA PEER REVIEW CONSULTANT (If applicable)**

Peer-review consultant reviews project summary and proposed scope of work.

**Consultant receives written comments, modifies proposal, and undertakes additional investigation if requested.**

**Distributes report from MSHDA ERC and facilitates recommendations by providing oversight and setting deadlines for reviews and documentation work if requested.**

If modifications needed, Peer Review Consultant submits written comments and recommendations to Sponsor’s Consultant.

**If required, environmental consultant submits results of additional investigation**

**MSHDA Review Team to review documentation and provide written decision to Loan Committee.**

*Estimated Peer Review time frame: 15 business days.*

Peer Review Consultant provides written recommendations to MSHDA Review Team.