



# TAB D



## PHASE I - ESA REQUIREMENTS



# MSHDA ENVIRONMENTAL REVIEW REQUIREMENTS FOR 2009

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## **SECTION I INTRODUCTION AND MSHDA SITE SELECTION CRITERIA**

The Michigan State Housing Development Authority (MSHDA) requires site-specific environmental screening for all development proposals being considered for financing. The Phase I Environmental Site Assessment (ESA) is an intake requirement that must be submitted before any proposal can be formally accepted for MSHDA mortgage loan processing. The MSHDA Phase I ESA is designed to satisfy the Underwriting guidelines of the Authority by addressing environmental requirements of both federal (24 CFR Part 58) and state (NREPA PA 451) regulations where applicable. The MSHDA Phase I ESA also requires additional elements beyond those solely required in the ASTM E1527-05 Practice, including but not limited to the ASTM E 2600-08 Standard Practice for Assessment of Vapor Intrusion into Structures on Property Involved in Real Estate Transactions.

This document explains in detail the Authority's environmental review requirements and is written to guide the Environmental Professional who will be performing the ESA. The Environmental Professional should carefully review this document before agreeing to provide a site assessment for submission to MSHDA. An ESA assessment that does not satisfy the Authority's environmental review requirements or is incomplete will be returned to the sponsor and may delay formal processing of the loan application. **Questions concerning the Authority's environmental review requirements should be directed to Bruce Jeffries, Environmental Review Officer, MSHDA, 735 East Michigan Avenue, Lansing, MI, 48912, phone: 517.335.0183, fax: 517.335.6565, e-mail: jeffriesb@michigan.gov.**

The ASTM E 1527-05 Standard defines "good commercial and customary practice" for conducting an environmental site assessment, thereby allowing the user to satisfy one of the requirements to qualify as an innocent landowner, a contiguous property owner, or bona fide prospective purchaser limitations for CERCLA liability. These defenses are also referred to as "Landowner Liability Protections" (LLPs). The ASTM E1527-05 practice satisfies the "due diligence" requirements established by 40 CFR Part 312 for conducting all appropriate inquiry.

Proposed development sites should exhibit no obvious negative site impacts or Recognized Environmental Conditions (RECs) which cannot be cost-effectively corrected or mitigated to residential standards. RECs defined by ASTM are "the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, groundwater, or surface water of the property."

Negative site impacts include, but are not limited to: excessive noise or physical hazards from railroad, vehicular, or air traffic; high tension power lines or high pressure gas transmission pipelines, sanitary landfills or auto salvage yards; sewage treatment plants; stored hazardous materials on or near sites; above ground or underground storage tanks; buried or spilled hazardous wastes/plumes; operating oil wells; mine shafts; gravel pits; wetlands; orchards; and prime agricultural soils classification.

The Authority will not approve developments requiring construction in the 100-year flood plain unless all necessary governmental permits are obtained and all buildings, parking areas, and pedestrian and vehicular ingress and egress areas are elevated at least one foot above the 100-year flood plain elevation when the development is completed. Developments receiving any federal funding source (Home, CDBG, Risk Sharing, etc.) will be required to satisfy HUD's "Eight Step" procedure if the proposed construction will impact either the 100-year flood plain or a wetland area. This process can be costly and can require a

significant amount of time to complete.

## SECTION II SPECIAL INSTRUCTIONS

### Tax Credit and Pass-Through Applications

Tax Credit and Pass-Through applications must have all elements of the MSHDA Environmental Review Requirements completed when the application is submitted. ESAs that do not satisfy the Authority's environmental review requirements or are incomplete will result in processing delays. Negative site impacts or Recognized Environmental Conditions (REC's) must be adequately resolved and all associated cost for remedial activities must be accurately documented and submitted with the project application. Abatement cost for Asbestos, Lead-Based Paint and/or UST/LUST remediation must be included with the Sponsor's Combined Application. Bids for remedial work must be from licensed and insured contractors and must be accurately documented; with the proposed remediation cost and included with the development's Trade Payment Breakdown.

### Use of Federal Funds

Authority financed developments and or Tax Credit proposals requesting federal funding or housing vouchers are required to be in compliance with the National Environmental Protection Act (NEPA) 24 CFR Part 58. To award these resources, MSHDA is required to comply with HUD's environmental review process to satisfy both the NEPA mandated items and the additional federal statutory and regulatory requirements under EPA, SHPO, etc. This review will be undertaken and completed by MSHDA Staff.

To complete this process, MSHDA must obtain written approval from both federal and state regulatory agencies, publish a public notification including a public comment period, and respond to any public comment if received. Barring any valid objections and the submission of a complete Phase I ESA, this process routinely requires two to three months to complete. Incomplete or inaccurate Phase I information increases the amount of time necessary to complete the NEPA process and will ultimately delay the processing of the project application.

Development proposals that involve construction in environmentally sensitive areas such as wetlands, floodplains or near adverse impact impacts such as, landfills, railroads, above ground or underground storage tanks, or freeways routinely require additional review time beyond the time period noted above. Sponsors utilizing the competitive tax credit process (9%) will need to anticipate these delays and plan accordingly.

Design responsive mitigation measures will be required to address impacts identified through the NEPA review. The cost for the mitigation measures need to be identified in the project budget and any resulting architectural/engineering modifications incorporated into the project plans and specifications. Any construction activities proposed in a wetland (regulated or unregulated) or in a 100 year flood plain area are strongly discouraged and may prohibit the use of federal funds.

### **SECTION III NEW OR REVISED FOR 2009**

1. Assessment for Potential Vapor Intrusion Conditions (pVIC) has been incorporated into MSHDA Environmental Review Requirements as a non-scope consideration in the Phase I ESA practice. See Section for additional details, page 10.
2. Additional clarification of Phase II ESA sampling requirements by highlighting the responsibility to adequately characterize the nature and extent site contamination. See Section for additional detail
3. Identified Recognized Environmental Conditions (RECs), including invasive pVIC assessments must be adequately resolved and documented in a separate Phase II report; combined Phase I/II reports will no longer be accepted.

### **SECTION IV MSHDA PHASE I ENVIRONMENTAL SITE ASSESSMENT (ESA)**

The Phase I ESA must be conducted in a manner consistent with the meaning of the phrase "all appropriate inquiry into previous ownership and uses of the property consistent with good commercial or customary practice" [42 USC 9601 (35) (B)]. Not every property will warrant the same degree of investigation, and the level of environmental review will be guided by the nature of the property and its' prior use history. The Environmental Site Assessment must be prepared in accordance with, **but not limited** to the ASTM Environmental Site Assessment Standards for Commercial Real Estate Transactions, E 1527-05, ASTM E 2600-08 Standard Practice for Assessment of Vapor Intrusion into Structures on Property Involved in Real Estate Transactions, and with additional MSHDA requirements. Copies of the ASTM standards may be obtained by contacting ASTM, 100 Barr Harbor Drive, P.O. Box C700, West Conshohocken, PA, 19428-2959, phone: 610.832.9535, web: [www.astm.org](http://www.astm.org).

#### **A. Federal and State Environmental Database Review for the Subject Site and Adjoining Properties**

Regulated sites identified within the specified search radius for each of the databases listed in ASTM's Section 8.1 Standard Environmental Record Sources must be geo-coded to a scaled map showing the location of the listed facilities and the subject site.

#### **B. Local Environmental Database Review**

The environmental site assessment will document local environmental records for the subject property and adjoining parcels. This review will minimally include a search of available records on file with:

- City Fire Marshall Department
- City or County Public Health Department

### **C. Prior Land Use History**

Document current and past uses of the property from the present back to the property's obvious first use or to 1940, whichever is earlier. The Environmental Professional's review shall at a minimum satisfy the requirements of ASTM Section 8.3, and the requirements noted herein. **"Data failures" in historical sources for the site must also be thoroughly documented and discussed in Section 12.7 of the Phase I ESA report.** All proposed development sites require a historical review of available fire insurance maps (Sanborn, etc.) The Phase I ESA must include true copies of available fire insurance maps. If historical fire insurance maps are not available on intervals sufficient to satisfy ASTM E 1527-05 requirements, a review of Street Directories for the area covered by the subject property and adjoining parcels must be included in the prior land use history review. Street Directory review to be conducted on street address ranges appropriate for the period of historical development.

Fire insurance map searches and street directories are deemed to be **"reasonably obtainable"** and may be ordered from:

- FirstSearch Inc., 10 Cottage Street, Norwood, MA 02062-2101, phone: 888-748-0400, fax: 781-551-0471, web: [www.efirstsearch.com/](http://www.efirstsearch.com/)
- Environmental Resource Data Inc., 3530 Post Road, Southport, CT 06490, phone: 800-352-0050, fax: 800-231-6802, web: [www.edrnet.com/](http://www.edrnet.com/)

**The location of the proposed development site boundaries must be noted on all photos and fire insurance maps.** Unmarked maps will be returned for additional clarification, and may delay the processing of the application. If fire insurance map coverage does not exist for the subject site, please provide a copy of the "No Coverage" certificate.

A **"Recorded Land Title Records"** search is required for any property that historically has had prior commercial or industrial development and for any property where the Environmental Professional's review of Standard Historical Sources (ASTM E 1527-05, Sec 8.3.4) results in "data failure." The title and lien search is to be supplied by the User, reviewed by the Environmental Professional and the documentation included in their Phase I ESA report. **If the User does not provide this information, the Environmental Professional is responsible for obtaining the Recorded Land Records Title Search and incorporating it the Phase I ESA report.**

### **D. Site Visit**

Site reconnaissance including all interior and exterior spaces shall at a minimum be preformed to satisfy the requirements of Section 9 of ASTM E1527-05.

#### **General site setting:**

- Review of past and present uses of **subject site and neighboring properties** that use, treat, store, dispose of, or generate hazardous substances or petroleum products. Approximate quantities involved, types of containers, and storage conditions shall be described in the report.
- Type of business currently and previously conducted at the facility (commercial,

- multifamily housing, industrial, etc.).
- Identification of the source of potable water supplied within ½ mile and the sewage disposal system.
- Geologic, hydrogeologic, hydrologic, and topographical conditions are to be analyzed to determine if hazardous substances or petroleum products are likely to migrate to or from the property
- **A copy of current USGS 7.5 min. Topographic Map is required.**
- Identification of all structures or other physical improvements to the property
- Empty and occupied user spaces, recreational facilities, parking lots, roads and surface water.
- Photographs of site interior, exterior, and adjoining properties. **Aerial photos must be marked to show approximate site boundary.**
- Strong, pungent or noxious odors, metallic or plastic storage drums (usually 55-gallon), other containers with hazardous substances, petroleum products, or unidentified substances, whether or not leaking, and pools of liquid. Containers identified as containing hazardous substances are to be noted on the site map.

**Interior areas:**

- Accessible common areas, occupant spaces, maintenance and repair areas, utility rooms, and boiler rooms are to be observed.
- All areas that were not or could not be inspected must be identified.
- Identify the means of heating and cooling the buildings, including fuel sources
- Stains or corrosion on floors, ceilings, or walls, including mold.
- Aboveground storage tanks, underground storage tanks, or related structures, such as vent pipes, fill pipes, and access ways must be identified
- Location of floor drains, sumps etc. should be noted in the report and depicted on the site plan.

**Exterior observations:**

- The periphery of the property and all structures on the property shall be observed from all adjacent public thoroughfares, adjoining structures and their uses to be noted on site plan.
- Hazardous substance or petroleum product storage areas on subject property and adjacent parcels.
- Aboveground storage tanks, underground storage tanks, or related structures, such as vent pipes, fill pipes, and access ways must be identified
- Pits, ponds, or lagoons on the property or adjoining properties
- Areas of obviously stained soil or pavement, leachate break-outs from waste disposal facilities or stressed vegetation (from sources other than lack of water).
- Electrical generators, transformers, power transmission lines, and hydraulic equipment that may contain PCBs. If transformers are present, please identify their age and owner.
- Site filling or grading suggesting trash, waste products or other fill materials are potentially present on site.
- Waste water, or other liquid, discharging into a ditch, drain, underground injection system, or stream on or adjacent to property.
- All wells and septic systems observed should be described in the report

## **E. Interviews with Past and Present Owners and Occupants**

- The property owner, key site manager, and user should be interviewed prior to the site visit to indicate whether helpful documents may exist that the environmental professional should review prior to the site visit and if they have any knowledge of (1) any pending, threatened, or past litigation relevant to hazardous substances or petroleum products in, on, or from the property; (2) any pending, threatened, or past administrative proceedings relevant to hazardous substances or petroleum products in, on, or from the property; (3) any notices from any government entity regarding and possible violation of environmental laws, or possible liability relating to hazardous substances or petroleum products
- A reasonable attempt shall be made to interview a reasonable number of occupants. **For properties with prior development history documented (Section IV.C) to be residential or undeveloped**, the Environmental Professional shall use their professional judgment in determining whether or not to conduct occupant interviews. For a commercial/industrial property with five or fewer occupants, a reasonable attempt to interview each one of them shall be made. The report shall identify the occupants interviewed and the duration and nature of their occupancy.
- Past owners, operators, and occupants who are likely to have material information regarding the potential for contamination at the property shall be interviewed to the extent that they have been identified and that the information likely to be obtained is not duplicative.
- For vacant commercial/industrial property with unauthorized use or uncontrolled access, owners or occupants of one or more nearby properties shall be interviewed.
- Examples of reasonable attempts to interview occupants include (but are not limited to) attempting to interview the occupant at the time of the site visit or calling the occupant by telephone
- The User is obligated to answer interview questions to the extent of his or her actual knowledge, or designate a key site manager to do so.
- If someone other than the user is asked questions by the interviewer but gives no answers or incomplete answers, this section of the assessment will not be considered incomplete, if (1) the questions have been asked (or attempted to be asked) in person, by electronic mail, or by telephone and written records have been kept of the person to whom the questions were asked and their responses, or (2) the questions were asked in writing sent by first class mail or by private, commercial carrier and no answer or incomplete answers have been obtained and at least one follow-up was made via telephone or written request.

## **F. Interviews with State and/or Local Government Officials**

A reasonable attempt shall be made to interview at least one representative of the following state and/or local government agencies: the local fire department that serves the property, state and/or local health agency, state and/or local agency with jurisdiction over hazardous waste disposal in the area of the property, or local agencies responsible for the issuance of building permits or groundwater use permits

that document the presence of Activity and Use Limitation (AUL) which may identify an REC.

If the person conducting the interview(s) asks questions but does not receive answers or receives incomplete answers, this section of the assessment will not be considered incomplete, if the questions have been asked (or attempted to be asked) in person, by electronic mail, or by telephone and written records have been kept of the person to whom the questions were asked and their responses.

#### **G. Compliance with Activity and Use Limitations (AULs)**

To qualify for one of the “Landowner Liability Protections” (LLP; innocent landowner, contiguous property owner, or bona fide prospective purchaser) you will need to know if any “Activity and Use Limitations” (AUL) exist and if so, is the subject site in compliance with the limitations, including land use restrictions that were relied upon in connection with a response action?

AULs are defined as any legal or physical restrictions or limitations on the use of, or access to, a site or facility. Activity and Use Limitations are designed to reduce or eliminate potential exposure to hazardous substances or petroleum products in the soil or groundwater on the property. They are also designed to prevent activities that could interfere with response activities, in order to ensure maintenance of a condition of no significant risk to public health or environment.

The Environmental Professional must include all relevant information revealed by the discovery of any AUL in their discussion of REC’s and any note any use restrictions imposed upon the property.

#### **H. ASTM “Non-scope” Considerations**

The “non-scope” issues listed below are to be discussed by the Environmental Professional in Section 16 of the Phase I ESA report. Supporting documentation is to be included in the report appendix. **For all Tax Credit and Pass-Through applications, complete documentation (including bids) supporting the proposed abatements/remediation work must be submitted with the application. Specific details are noted below.**

- 1. Friable and non-friable Asbestos Containing Materials (ACM’s):** For structures undergoing renovation, the cost for abatement (removal / encapsulation) from an Asbestos professional certified as a Michigan Asbestos Abatement Contractor by must be provided. Asbestos documentation submitted will at a minimum include: 1) a NESHAP survey from a licensed asbestos contractor/supervisor, 2) asbestos abatement plan including provisions for independent third party air monitoring, 3) bid(s) from licensed asbestos abatement contractor(s) to perform the proposed abatement plan, 4) a copy of the trade payment breakdown identifying all cost associated with the asbestos abatement activities and identified as a separate line.
- 2. Lead-Based Paint (LBP):** For structures with building permits issued before Jan 1, 1979 a Lead Based Paint inspection and Risk Assessment must be included. Lead-Based Paint Hazard documentation submitted will at a minimum include: 1) completed Lead Based Paint Inspection meeting HUD’s “Guidelines for the Evaluation and Control of Lead-Based Paint in Housing.” from a licensed Michigan Lead Risk Assessor, 2) a Lead-Based Paint abatement/encapsulation plan including provisions for licensed independent third party lead dust clearance sampling, 3) bid(s) from licensed and insured Lead Based Paint abatement contractor(s) to perform the

proposed abatement/encapsulation activities, 4) a copy of the trade payment breakdown identifying all cost associated with the proposed Lead Based Paint abatement/encapsulation activities and identified as a separate line

3. **Formaldehyde insulation:** If formaldehyde insulation is observed, and the structure is to be renovated, the extent and cost for abatement of the insulation (removal / encapsulation) must be identified and identified as a separate line.
4. **Radon:** Radon mitigation measures must be documented in the Phase I report for all developments located in the following counties: Branch, Calhoun, Cass, Hillsdale, Jackson, Kalamazoo, Lenawee, St. Joseph, and Washtenaw. Radon documentation submitted will at a minimum include sampling for all “at grade” residential units. For information on Radon Resistant Construction Standards is available at [http://www.michigan.gov/deq/0,1607,7-135-3310\\_4104\\_4196---,00.html](http://www.michigan.gov/deq/0,1607,7-135-3310_4104_4196---,00.html). You may also contact Ms. Sue Hendershott, Indoor Radon Specialist, Hazardous Waste and Radiological Protection Section, Waste and Hazardous Materials Division, Department of Environmental Quality, 815 Terminal Road, Lansing, MI 48906, ph: 1.800.723.6642. **For the Counties noted above, the Phase I ESA must include a copy of plans/specifications showing the radon mitigation measures. The proposed abatement plans must be consistent with the Radon resistant code requirements as detailed in Appendix F of the Michigan Residential Code.**
5. **100-year Floodplain:** Geological, hydro-geological, and hydrological data for the property, including the 100-year flood plain and flood way elevation as determined by FEMA. If published, you must include a copy of the FEMA Flood Hazard map including the Community Panel Number in your report. **The site boundaries on the FEMA map must be clearly noted. FIRMette Floodplain maps** are available online from FEMA at <http://www.msc.fema.gov>. All buildings, parking areas, and pedestrian and vehicular ingress and egress areas must be elevated at least one foot above the 100-year flood plain elevation when the development is completed. For additional information on 100-year flood plain, please contact the Flood Plain Management Unit, Geological and Land Management Division, 525 West Allegan Street, South Tower, First Floor, Lansing, MI 48933, phone: 517.241.1515. **For all applications, the 100-year flood plain boundary and its relation to the building footprint must be clearly located on the proposed development site plan and submitted in the MSHDA Combined Application, Tab D.**
6. **Wetlands:** The Phase I ESA must address the presence of any suspect regulated or non-regulated wetlands on the subject site; these areas must be accurately noted on the development site plan. For wetland areas hydraulically connected to other wetland resources or for wetland areas larger than 3 acres, the sponsor will need to provide a jurisdictional delineation or a **Level 2 or Level 3 Wetland Assessment** review from DNR. For more information contact: Land and Water Management Division, Inland Lakes and Wetlands Unit, P.O. Box 30458, Lansing, MI 48909-7958, Wendy Veltman, phone; 517.241.8485. **For all applications, any wetlands and their relation to the building footprint must be clearly located on the proposed development site plan and submitted in the MSHDA Combined Application, Tab D.**
7. **EMF:** Sites containing or in close proximity to high power transmission lines (60 kV and higher) will require a set back sufficient to archive a 3 mG exposure limit. The EMF setback requirement is for high power transmission lines only. Contact the Authority for site-specific instructions for determining acceptable setback distances. **For all applications, any applicable setback and its**

**relation to site buildings must be clearly indicated on the proposed development site plan and submitted in the MSHDA Combined Application, Tab D.**

- 8. High pressure buried gas lines:** Sites located within 1000 feet of a buried high-pressure gas transmission line (4" diameter or larger and 400 p.s.i. or higher) must comply with the MSHDA's setback requirements. The location and capacity of any high-pressure utility systems located on or near the proposed development site must be noted in your report and located on the development site plan. Contact the Authority for site-specific instructions for determining acceptable setback distances. **For all applications, any applicable setback and its relation to site buildings must be located on the proposed development site plan and submitted in the MSHDA Combined Application, Tab D.**
- 9. Noise analysis:** For development sites located within 400 feet of a limited access highway, or near a busy roadway (four lane or more roadway with posted speeds at or above about 45 mph), or within 1000 feet of a railroad line will require a noise assessment. Your noise assessment **must** follow HUD's worksheets as detailed in their publication entitled; "The Noise Guidebook," and included in your report. Sites with rail lines within 100 feet of proposed or existing building structures will have to complete the Federal Transit Administration (FTA) Vibration Impact Analysis and satisfy any applicable isolation requirements. Sites requiring noise mitigation barriers (sound walls or vibration barriers) must provide a sound analysis of the isolation barrier as outlined in HUD's noise manual. **For all applications, any applicable setback and its relation to site buildings must be located on the proposed development site plan and submitted in the MSHDA Combined Application, Tab D.**
- 10. Compliance with Activity and Use Limitations (AULs)** The Environmental Professional must document all discovered AUL's and include all relevant information. The Environmental Professional will note any use restrictions imposed upon the property.
- 11. Assessment of Potential Vapor Intrusion Conditions:** For the purposes of a MSHDA Phase I ESA, the Environmental Professional will at a minimum complete both the Tier I and non-invasive Tier II components of the ASTM E 2600-08 Standard Practice for assessing potential Vapor Intrusion Conditions (pVIC) if applicable. As indicated in Section 9.1 of the ASTM Standard, the contaminated plume test evaluates the COCs within the appropriate critical distance, assuming that well defined boundary conditions have been documented in prior Phase II investigations. Please note that the proposed state guidance for Michigan (MDEQ Operational Memorandum No. 4, Attachment 4 – Soil Gas and Indoor Air) does not automatically rule out petroleum hydrocarbon Chemicals of Concern (COC) beyond 30 feet. For the purposes of the MSHDA Phase I ESA, the Environmental Professional should use 100 foot screening distance for all listed COCs, including petroleum hydrocarbons when evaluating for pVIC.

Sites exhibiting a pVIC finding will require invasive Tier II sampling. The invasive Tier II sampling strategy will be consistent with the requirements of ASTM E 2600-08 Section 9.2.1.2. This sampling is beyond the scope of the Phase I ESA and should be undertaken as part of a Phase II investigation. The Environmental Professional is encouraged to seek additional input from MDEQ and MSHDA prior to undertaking soil gas sampling.

## **I. Underground Storage Tanks (UST's) and Aboveground Storage Tanks (AST's)**

- 1. Underground Storage Tanks (UST's).** Abandoned UST's require additional assessment and must include cost to close the tank according to Part 213 requirements. Historical tank removals lacking Part 213 closure documentation are deemed to be an "REC" and will require characterization. UST characterization and related remediation cost are to be documented separately in the Phase II investigation. For a list of qualified UST consultants please contact the Waste and Hazardous Materials Division, Storage Tank Unit, PO Box 30241, Lansing, MI 48909. **For all applications, the project documentation needs to include a copy of the proposed closure plan and the associated cost is to be identified as a separate line.**
- 2. Aboveground Storage Tanks (AST's).** Sites containing or adjoining to above ground storage tanks must be evaluated according to procedures set forth in HUD's guidebook entitled 'Siting of HUD-Assisted Projects Near Hazardous Facilities.' The proposed development site plans must reflect any required setbacks identified through the hazard analysis. **For all applications, any applicable setback and its relation to site buildings must be clearly located on the proposed development site plan.**

## **J. Development Site Plan Requirements**

The Phase I ESA **must include** a development site plan, to scale, noting features previously outlined. **The site map will identify adjoining property uses and proximity to adjoining structures.** Location and size of gas and electric transmission utilities, wetlands, and flood plain boundary's must be noted. An aerial photo may be used as a base map for the site plan, however the plotted scale should not exceed 1": 100' and be of sufficient resolution to distinguish site features. **Tax Credit and Pass-Through projects are required to include a copy of the proposed development site plan in Tab D of the MSHDA Combined Application.**

## **K. MSHDA Seller's Environmental Questionnaire and Disclosure Statement and User's Environmental Questionnaire and Disclosure Statement**

These documents are to be completed by the appropriate entity, reviewed by the Environmental Professional, and incorporated into their Phase I ESA report. Please see Section VIII and Section IX of this document for the required formats.

## **L. Environmental Professional's Opinion and Report**

### **1. Findings and Opinions**

The Environmental Professional's report of findings and opinion's shall conform to the ASTM Standard. The Environmental Professional's "Conclusions" and "Professional Statement" must follow exactly the applicable language contained in Sections 11 and 12 of the ASTM E 1527-05 Standard. The consultant shall set forth clearly written explanation of identified "data gaps," including historical "data failures" as defined by ASTM and shall comment on their effect upon the Environmental Professional's ability to identify RECs. Specifically, the Environmental

Professional shall at a minimum complete the requirements of the sections listed below.

11 Findings Section (see ASTM E1527-05 Section 12.5)

12 Opinion Section

12.1: Opinion (see ASTM E 1527-05 Section 12.6)

12.2: Additional Investigation

12.3: Data Gaps (see ASTM E 1527-05 Section 12.7)

12.4: Conclusions (see ASTM E 1527-05 Sections 12.8.1 or 12.8.2)

12.5: Deviations (see ASTM 1 E 1527-05 Section 2.10)

12.6: Signature of Environmental Professional

12.7: Environmental Professional Statement (see ASTM E 1527-05 Sections 13.1 and .2)

## 2. **Documentation and Continued Viability.**

The report of findings for the Environmental Site Assessment will follow the recommended report format outlined in this document. The report ***must include all documentation*** that supports the analyses, opinions, and conclusions of the Environmental Professional. All sources, including those that reveal no findings, should be well documented, and included in the report. The Phase I ESA and the consultants' Letter of Reliance must be current at the time of submission. A Phase I ESA is "presumed valid" for 180 days prior to the date of acquisition. If the "user" changes within this time period, the subsequent user must satisfy the User's Responsibilities. An assessment for which the data was collected or updated within 1 year prior to the acquisition date is also "presumed valid." A Phase I ESA Update can be completed for reports meeting ASTM E 1527-05 standards that are more than 180 days and less than 1 year from the date of acquisition. For further information see Sec 4.6 and Sec 4.7 in the ASTM E 1527-05 standard.

## 3. **The "Letter of Reliance and Phase I Summary Cover Sheet"**

Must be completed and signed by the Environmental Professional performing the Environmental Site Assessment and submitted with their Phase I report. The Consultant's Letter of Reliance and Phase I Summary Cover Sheet ***must be in the format*** supplied in this document. Any changes, limitations to or deviations to the supplied forms will result in delays or rejection of the proposal.

## **M. Insurance Requirements**

The Environmental Professional must carry insurance which provides full coverage for all work performed. The Environmental Professional must maintain insurance policies covering all of the following types of insurance in the greater of either the following amounts of coverage or the amounts of coverage that the Environmental Professional typically carries:

- a. Commercial General Liability insurance, total combined single limits of \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate; and

b. Professional Errors and Omissions insurance with limits of \$1,000,000.00 each claim and \$2,000,000.00 in the aggregate; and

c. Pollution Liability insurance with limits of \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate, with extended coverage including third party liability for death, bodily injury, diminution of value of property and property damage.

2. MSHDA must be a certificate holder on both the Professional Errors and Omissions and Pollution Liability insurance policies. Proof of insurance should be documented on an **Acord 25** certificate, and should provide that the insurer must give MSHDA at least thirty (30) days prior written notice of cancellation/termination/material change, and that no action by the insured shall invalidate or diminish the insurance against any claim by MSHDA. The proof of insurance must be included in Section 3 of the MSHDA Phase I ESA Report.

3. Each policy of insurance, including any deductible or self-insured retention, shall by its terms be primary with respect to any insurance carried by the Applicant or any parent, subsidiary, or affiliated entities. For policies written on claims-made basis, the Environmental Professional must maintain coverage in effect for a period of at least three (3) years following the completion of the final Phase I ESA and/or Phase II Report.

4. The Environmental Professional must promptly notify MSHDA of any changes made to the insurance policies required by this Section.

5. Upon written request of MSHDA, the Environmental Professional must promptly deliver complete copies of policies evidencing the insurance coverage's required by this Section M to MSHDA.

6. All required insurance shall be underwritten by an insurance carrier with an **AM Best rating of not less than "A-, VII."** MSHDA prefers that insurance carriers be licensed in Michigan; however MSHDA will accept surplus lines insurance companies with an A.M. Best rating of no less than "A-, VIII."

## **SECTION V PHASE II ENVIRONMENTAL REVIEW REQUIREMENTS**

Recognized Environmental Conditions (REC's), including historical uses that represent the potential for "facility" status as defined under Part 201, NREPA, require additional investigation. Concerns that are inadequately investigated, that present a clear ongoing health hazard to residents of the proposed development, **that fail to document the horizontal or vertical extent of contamination**, and/or present an unacceptable degree of lender or owner liability, will be the basis for termination of processing of the proposal. Proposed developments sites with "facility" status will require a **MDEQ affirmed BEA and Due Care plan. The proposed response activities in the Due Care must comply with applicable federal (HOME) requirements and Authority standards.**

REC's identified in the Phase I ESA must be adequately resolved through a Phase II investigation and documented separately from the Phase I ESA report. The Environmental Professional shall opine whether **"the data provides sufficient information to support a professional opinion that there is no reasonable basis for suspecting the disposal or release of hazardous substances or petroleum products at the site with respect to the recognized environmental conditions assessed, and that no further assessment is necessary or that with respect to the recognized environmental conditions assessed, hazardous substances or petroleum products have been released or disposed at the**

**property (ASTM E-1903.)”**

The use of **HREC** (Historically Recognized Environmental Concerns) designation is limited to historical impacts that have been previously remediated *and* for which closure documentation from a regulatory agency exist. If a HREC exists on site, please include a copy the closure documentation with your report. HRECs lacking appropriate closure documentation are to be treated as an REC and will need to be resolved accordingly.

Data Quality Objectives for Phase II sampling events including but not limited to sample location, quantity of samples, and analytical procedures must be chosen must be consistent with the identified REC’s and the exposure pathways for residential land use. The sampling design must be sufficient in scope to **determine the “nature and extent” of the impact and characterize all relevant and applicable exposure pathways**. Analytical methods, detection limits, QC/QA procedures and sampling plans will satisfy applicable federal, state, and MSHDA technical guidance. Sampling plans that do not comply with the guidance or lack sufficient data quality standards to ensure reliable results will be deemed incomplete and returned to the Environmental Professional for additional work. Sampling events to include trip blanks, soil bore logs, laboratory QA/QC reports, and Chain of Custody documents.

*Sites with “facility” status must obtain a MDEQ approved BEA and 7a Due Care determination for unrestricted residential use prior to initial closing. Tax Credit and Pass-Through proposals must include a copy of the BEA, Due Care Plan, and MDEQ’s Determination letter with their application.*

Specific requirements for Phase II work is under development and will be published separately from this document. When complete, they will be available on the MSHDA web site.

**SECTION VI FEDERAL ENVIRONMENTAL ASSESSMENT (NEPA)**

MSHDA (not the Environmental Professional) is required to complete a federal environmental assessment for all proposals receiving federal assistance. This assessment is undertaken to satisfy the review requirements of 24 CFR Part 58 (NEPA) and related federal regulatory requirements. This review emphasizes preservation of the natural and historical features and highlights and requires review and concurrence from other regulatory agencies such as Michigan Department of Environmental Quality, Michigan Department of Natural Resources, and State Historic Preservation Office. The NEPA review includes all of the following natural resources, (and in certain circumstances may require additional detailed studies):

- Historic Preservation
- Coastal Areas
- Noise Assessment
- Floodplain Management
- Endangered Species
- Wild and Scenic Rivers
- Wetlands
- Prime Ag. Land

**SECTION VII SELECTING AN ENVIRONMENTAL PROFESSIONAL**

Environmental Site Assessments require the use of professional consulting firms specializing in identifying and analyzing environmental conditions. It is important to select a consultant who can perform an acceptable environmental assessment as outlined in this document, who meets the definition of an **Environmental Professional** pursuant to 40 CFR Section 312.10(b), and who has prior *experience*

working with the MSHDA. **Environmental Professionals and environmental firms should be required to document successful working relationships with MDEQ and MSHDA.** Several factors, which should be considered in selecting an Environmental Professional, include the following:

- (1) The consultant should have sufficient personnel with the necessary technical capabilities to perform an Environmental Site Assessment in a timely fashion (approximately six to eight weeks)
- (2) The developer should screen résumés of key individuals in the consulting firm and ask for a list of recently completed work to verify the firm's reputation, adherence to budget, compliance with schedules and deadlines, etc.

If you are developing urban renewal property or a Brownfield site, your consultant should have demonstrable experience working with urban renewal sites. Ask to see examples of prior residential redevelopment sites comparable to your intended development that were delivered on time and on budget. Identify and speak with the project manager(s) responsible for overseeing your project, not only the corporate staff. Review the credentials and work experience of your project manager. **All Phase I ESAs must include a copy of the Environmental Professional's insurance certificate with the "Michigan State Housing Development Authority" listed as additional insured.**

If you suspect that your site may contain abandoned UST's be sure your consultant has the appropriate experience and credentials for closing a UST. For a list of UST consultants please contact the Environmental Response Division, Waste and Hazardous Materials Division, Storage Tank Unit, PO Box 30241, Lansing, MI 48909, phone: 517.335.2690.

No reputable Environmental Professional will unequivocally certify a site to be environmentally clean. However, your consultant is expected to provide a professional opinion regarding the probability of contamination being present at a site. At that time, risk levels may be assessed and accepted or a determination made to proceed with a Phase II Environmental Site Assessment.

**SECTION VIII**

**2009 – SELLER’S ENVIRONMENTAL QUESTIONNAIRE AND DISCLOSURE STATEMENT**

The Authority requires the completion of it’s’ “Owner’s Environmental Questionnaire and Disclosure Statement.” **This checklist is to be completed and signed by the property owner, and returned to the Environmental Professional and incorporated in their Phase I. Failure to properly complete this process will result delay the processing.**

In preparing this document, the **property owner** must make a good faith effort to answer the questions in the checklist. The preparer presents that to the best of his/her knowledge the above statements and facts are true and correct and that to the best of the preparer's knowledge no material facts have been omitted or misstated. Time and care should be taken to check whatever records are in the owner's possession. If any of the following questions are answered in the affirmative or if answers are unknown, are qualified, or cannot be obtained, the burden is on the Environmental Professional to determine whether further inquiry is appropriate. The property owner should document the reason for any affirmative answer to provide the consultant with all appropriate information. Moreover, the Environmental Professional must determine if further inquiry in any area where the property owner provides incomplete information is warranted, providing written explanation for their recommendation(s).

If the proposed development site is being purchased from the City of Detroit or Highland Park, the Environmental Professional is required to complete the form on their behalf provided they have, at a minimum, reviewed all Fire Marshall records and Building Permits for all previous on-site retail, commercial, or industrial uses consistent with the development history of the site.

**Purchaser:** \_\_\_\_\_

**Purchaser’s Telephone No.:** \_\_\_\_\_

**Owner’s Name:** \_\_\_\_\_

**Owner’s Telephone No.:** \_\_\_\_\_

**Subject Property:** \_\_\_\_\_

1. **Land use:** Is the property or adjoining property currently used for manufacturing or industrial use? Adjoining properties include those that border the immediate site and include properties across the street from the property.

YES  NO (If "YES," please describe)

**Subject Property:** \_\_\_\_\_

**Adjoining property north:** \_\_\_\_\_

**Adjoining property south:** \_\_\_\_\_

**Adjoining property east:** \_\_\_\_\_

**Adjoining property west:** \_\_\_\_\_

2. Has the property or adjoining property been used for manufacturing or industrial purposes in the past?

\_\_\_ YES \_\_\_ NO (If "YES," please describe)

**Owner / Use / Date(s)**

**Subject Property Previous use:** \_\_\_\_\_

**Previous use (north):** \_\_\_\_\_

**Previous use (south):** \_\_\_\_\_

**Previous use (east):** \_\_\_\_\_

**Previous use (west):** \_\_\_\_\_

3. Are there any pesticides, automotive or industrial batteries, paints or other chemicals stored on the property or at the facility other than undamaged containers of consumer products under five gallons in total volume?

\_\_\_ YES \_\_\_ NO (If "YES," please describe)

4. Are there any plastic or metal industrial drums (typically 55-gallon) located on the property or at the facility?

\_\_\_ YES \_\_\_ NO (If "YES," please describe)

5. Has fill dirt been brought onto the site that could be contaminated?  
\_\_\_ YES \_\_\_ NO (If "YES," please describe)
6. Have any construction debris, substances identified as hazardous, unidentified waste materials, tires, automotive or industrial batteries or any other waste materials been dumped above grade, buried and/or burned on the site?  
\_\_\_ YES \_\_\_ NO (If "YES," please describe)
7. Are there any pits, ponds or lagoons located on the property in connection with waste treatment or waste disposal?  
\_\_\_ YES \_\_\_ NO (If "YES," please describe)
8. Is there any soil on the property that has been obviously stained?  
\_\_\_ YES \_\_\_ NO (If "YES," please describe)
9. Are storage tanks above or underground located on the property?  
\_\_\_ YES \_\_\_ NO (If "YES," please describe)
10. Are vent pipes protruding from the ground at the property or adjacent to any structure located on the property?  
\_\_\_ YES \_\_\_ NO (If "YES," please describe)
11. Does the property discharge waste water, other than storm water, directly to a ditch or stream on or adjacent to the property?  
\_\_\_ YES \_\_\_ NO (If "YES," please describe)

12. If the property is served by a private well or non-public water system has the well or water system been designated as contaminated by a governmental environmental or health agency?  
\_\_\_ YES \_\_\_ NO (If "YES," please describe)
13. **Asbestos:** Does the property or any buildings located on the property contain any asbestos?  
\_\_\_ YES \_\_\_ NO (If "YES," please describe)
14. **Polychlorinated biphenyls (PCBs):** Have polychlorinated biphenyls been used in electrical transformers, capacitors or other equipment at the property?  
\_\_\_ YES \_\_\_ NO (If "YES," please describe)
15. Is there a transformer that is not owned by a public or private utility or group and for which there are no records indicating the absence of PCBs?  
\_\_\_ YES \_\_\_ NO (If "YES," please describe)
16. **Radon:** Has the property or any buildings located on the property been tested for radon?  
\_\_\_ YES \_\_\_ NO (If "YES," please describe)
17. **Urea-Formaldehyde:** Does the property or any buildings located on the property contain any urea-formaldehyde materials?  
\_\_\_ YES \_\_\_ NO (If "YES," please describe)
18. **Lead:** Does the property or any buildings located on the property contain any lead-based paint or lead plumbing?  
\_\_\_ YES \_\_\_ NO (If "YES," please describe)

19. **Miscellaneous:** Does the owner of the property or operator of the facility have any knowledge of environmental liens or governmental notification relating to violations of environmental laws in regards to the property or any facility located on the property?  
 YES  NO (If "YES," please describe)
20. Has the owner of the property or operator of the facility been informed of the presence of hazardous substances or environmental violations in regards to the property or the facility located on the property?  
 YES  NO (If "YES," please describe)
21. Are you aware of any environmental assessment of the property that indicated the presence of hazardous substances on the site or recommended further assessment of the property?  
 YES  NO (If "YES", please describe)
22. Are there past, current or pending lawsuits or administrative proceedings for alleged environmental damages involving the property or any owner or tenant of the property?  
 YES  NO (If "YES," please describe)
23. Does the purchase and/or sales price of this property reflect the presence of hazardous substances on the property?  
 YES  NO (If "YES," please describe)
24. **Agricultural Land:** Have pesticides, herbicides, or other agricultural chemicals been stored, mixed on, or applied to the property?  
 YES  NO (If "YES," please describe)

25. **This questionnaire was completed by the property owner (*required*):**

**Owner's (representative) Signature:** \_\_\_\_\_

**Owner's Printed Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City, State, Zip:** \_\_\_\_\_

**Telephone Number:** \_\_\_\_\_

**Relationship to Site:** \_\_\_\_\_

## SECTION IX

### 2009 - USER'S ENVIRONMENTAL QUESTIONNAIRE AND DISCLOSURE STATEMENT

The Authority requires the completion of its "User's Environmental Questionnaire and Disclosure Statement" to fulfill Section 6, User's Responsibilities of the ASTM Standard E 1527-05. **The checklist is to be completed and signed by the sponsor (developer), and returned to the Environmental Professional conducting the Phase I. This questionnaire is to be reviewed by the Environmental Professional and included in their Phase I report. Failure to properly complete this process will result in delays.**

In preparing this document, the "User" (Sponsor) must make a good faith effort to answer the questions in the checklist. The preparer presents that to the best of his/her knowledge the above statements and facts are true and correct and that to the best of the preparer's knowledge no material facts have been omitted or misstated. Time and care should be taken to check whatever records are in the user's possession. If any of the following questions are answered in the affirmative or if answers are unknown, are qualified, or cannot be obtained, the burden is on the Environmental Professional to determine whether further inquiry is appropriate. The property user should document the reason for any affirmative answer to provide the consultant with all appropriate information. Moreover, the Environmental Professional must determine if further inquiry in any area where the property owner provides incomplete information is warranted, providing written explanation for their recommendation(s).

In order to qualify for one of the Landowner Liability Protections (LLPs) offered by the Small Business Relief and Brownfield's Revitalization Act of 2001 (the "Brownfield's Amendments"), the user must provide the following information (if available) to the environmental professional. Failure to provide this information could result in a determination that "all appropriate inquiry" is not complete.

User's (Sponsor's) Name: \_\_\_\_\_

User's (Sponsor's) Telephone No.: \_\_\_\_\_

User's (Sponsor's) Fax No.: \_\_\_\_\_

Subject Property: \_\_\_\_\_

Property Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

#### 1.0 Environmental Cleanup Liens:

Are you aware of any environmental cleanup liens against the property that are filed, recorded, or unrecorded under federal, tribal, state, or local law?

\_\_\_ YES \_\_\_ NO (If "YES," please describe)

2.0 **Activity and Land Use Limitations:**

Are you aware of any activity and land use limitations, such as engineering Controls, land use restrictions or institutional controls that are in place at the site and/or have been filed, recorded or unrecorded in a registry under federal, tribal, state or local law?

YES  NO (If "YES," please describe)

3.0 **Specialized Knowledge or Experience of the User:**

(a) As the user of this ESA do you have any knowledge or experience related to the property or nearby properties that could be material to any environmental conditions of this property?

YES  NO (If "YES," please describe)

(b) Are you involved in the same line of business as the current or former occupants of the property or an adjoining property so that you would have specialized knowledge of the chemicals and processes used by this type of business?

YES  NO (If "YES," please describe)

4.0 **Relationship of Purchase Price to Fair Market Value:**

(a) Does the purchase price being paid for this property reasonably reflect the fair market value of the property?

YES  NO (If "YES," please describe)

(b) If you conclude that there is a difference, have you considered whether the lower price is because contamination is known or believed to be present at the property?

YES  NO (If "YES," please describe)

5.0 **Commonly Known or Reasonably Ascertainable Information:**

Are you aware of commonly known or reasonably ascertainable information about the property that would help the environmental professional to identify conditions indicative of releases or threatened releases? For example, as user,

(a) Do you know the past uses of the property? Please List: \_\_\_\_\_  
\_\_\_\_\_.

(b) Do you know the specific chemicals that are present or once were present at the property?

\_\_\_ YES \_\_\_ NO (If "YES," please describe)

(c) Do you know of spills or other chemical releases that have taken place at the property?

\_\_\_ YES \_\_\_ NO (If "YES," please describe)

(d) Do you know of any environmental cleanups that have taken place at the property?

\_\_\_ YES \_\_\_ NO (If "YES," please describe)

6.0 **Presence or Likely Presence of Contamination:**

As the user of this ESA, and based on your knowledge and experience related to the property are there any obvious indicators that point to the presence or likely presence of contamination at the property?

\_\_\_ YES \_\_\_ NO (If "YES," please describe)

User's Signature: \_\_\_\_\_ Date \_\_\_\_\_

User's Printed Name: \_\_\_\_\_

## SECTION X

### 2009 - MSHDA Phase I Summary Cover Sheet

Project Name: \_\_\_\_\_

Sponsors Name: \_\_\_\_\_ Sponsor's Fax: \_\_\_\_\_

Consultants' / Firm Name: \_\_\_\_\_

Consultants' Fax No.: \_\_\_\_\_ Email: \_\_\_\_\_

Project #: \_\_\_\_\_ Report Date: \_\_\_\_\_

Please answer all questions below, noting the appropriate page or appendix in your report that contains the supporting documentation. **Summary Cover Sheets containing unknown or incomplete responses will not be processed and will be returned for correction.**

#### 1. Report Findings

- a. The site contains Wetland area(s).  Yes  No  
(See requirements in Sec. IV, H.6)
- b. The site or a portion of the site is in the 100 year Flood Plain.  Yes  No  
(See requirements in Sec. IV, H.5)
- c. The site contains a UST(s) or AST(s).  Yes  No  
(See requirements in Sec. IV, I)
- d. The Phase I ESA revealed a REC(s).  Yes  No  
(See requirements in Sec. IV, D.5)
- e. There any high power electrical transmission lines with in 500 feet of the subject site.  Yes  No  
(See requirements in Sec. IV, H.7)
- f. There are buried high-pressure gas transmission lines (4" in diameter and 400 psi or greater) within 1000 feet of the subject site.  Yes  No  
(See requirements in Sec. IV, H.8)
- g. The subject site is within 400 feet of a limited access freeway or 1000 feet of a rail line.  Yes  No  
(See requirements in Sec. IV, H.9)

h. For structures undergoing renovation/remodeling, an Asbestos survey was performed.

Yes  No

i. An Asbestos inspection satisfying NESHAP and MSHDA requirements for demolition/remodeling activities as documented in the Sponsor's Comprehensive Needs Analysis or the Architect's Plans and Specifications for the project was preformed.

Yes  No

(see requirements in Sec. IV, H.1)

j. For structures undergoing renovation/remodeling, a LBP survey was performed.

Yes  No

k. The LBP inspection satisfies HUD and MSHDA requirements for the proposed demolition/remodeling activities as documented in the Sponsor's Comprehensive Needs Analysis or the Architect's Plans and Specifications for the project.

Yes  No

(See requirements in Sec. IV, H.2)

l. For developments located in Branch, Calhoun, Cass, Hillsdale, Jackson, Kalamazoo, Lenawee, St. Joseph, and Washtenaw counties Radon mitigation measures are documented in the report.

Yes  No

(See requirements in Sec. IV, H.5)

m. A "Recorded Land Records" search was preformed.

Yes  No

(See requirements in Sec. IV, C)

n. A Phase II investigation is required.

Yes  No

(See requirements in Sec. V)

o. A Tier I and non-invasive Tier II investigation for potential Vapor Intrusion Conditions was preformed.

Yes  No

(See requirements in Sec. IV, H.10)

p. An invasive Tier II investigation is required for potential Vapor Intrusion Conditions.

Yes  No

(See requirements in Sec. IV, H.10)

**2. Report Documentation Check List. If any of the responses below are “NO,” do not submit report.**

- a. MSHDA Phase I Letter of Reliance completed?  Yes  
 No
  
- b. Seller’s Disclosure Statement completed?  Yes  
 No
  
- c. User’s Disclosure Statement completed?  Yes  
 No
  
- d. Certificate of insurances included?  Yes  
 No
  
- e. FEMA Flood Plain Map Included?  Yes  
 No
  
- f. Fire Insurance Maps or N.C. Letter Included?  Yes  
 No
  
- g. Development Site Plan Included?  Yes  
 No

I represent that this Summary Cover Sheet accurately reflects the environmental information contained in the above captioned document.

\_\_\_\_\_/\_\_\_\_\_  
Signature of Environmental Professional / Date                      Print or Type Legal Name

**SECTION XI**

**2009 MSHDA PHASE I LETTER OF RELIANCE**

(DATE)

PRIVILEGED AND CONFIDENTIAL

Bruce Jeffries  
Environmental Review Officer  
Design & Technical Resources Division  
Michigan State Housing Development Authority  
735 East Michigan Avenue  
Lansing, Michigan 48912

RE: Phase I ESA for: *(Insert Development Name)*, *(Report #)*, *(Date of Report)*

Dear Mr. Jeffries:

Please find enclosed the Phase I Environmental Site Assessment for the subject property dated ( ) to the Michigan State Housing Development Authority.

It is my understanding that the information contained in the Phase I Environmental Site Assessment will be used by the Authority in considering proposed financing of residential development of the property and, furthermore, that the Authority may rely upon the Phase I Environmental Site Assessment as if it were issued to the Authority.

I **certify** that the attached is a true, correct, and complete copy of the Phase I Environmental Site Assessment and that the report represents my professional opinion of the site as of this date and that I meet the definition of an Environmental Professional as defined in Section 312.10 of 40 CFR 312. I also confirm the evaluation, recommendations, and conclusions contained in the Phase I Environmental Site Assessment as of this date and that the Phase I Environmental Site Assessment has been performed in conformance with the scope and limitations of the ASTM Practice E 1527-05, ASTM Practice E 2600-08, and MSHDA'S Environmental Review Requirements for 2009.

Sincerely,

*(Environmental Professional's signature)*

## **SECTION XII**

### **Required MSHDA Phase I Report Format - 2009**

Please note all sections listed below are required. If the Environmental Professional concludes that one of the listed sections is not applicable, the Environmental Professional shall opine as to its inapplicability and the reasoning for their determination.

1.0 MSHDA Phase I Summary Cover Sheet

2.0 MSHDA Phase I Letter of Reliance

3.0 Copy of Environmental Professional Insurance Certificates

4.0 Executive Summary

4.1 Data Failure Discussion

4.2 Conclusions

5.0 Introduction

5.1 Purpose

5.2 Detailed Scope of Services

5.3 Significant Assumptions

5.4 Limitations and Exceptions

5.5 Special Terms and Conditions

5.6 User Reliance

6.0 Site Description

6.1 Location and Legal Description

6.2 Site and Vicinity General Characteristics

6.3 Current Use of the Property

6.4 Descriptions of Structures, Roads, Other Improvements on the Site (including heating/cooling system, sewage disposal, source of potable water)

6.5 Current Uses of Adjoining Properties

7.0 User Provided Information

7.1 Title Records

7.2 Environmental Liens or Activity and Use Limitations

7.3 Specialized Knowledge

7.4 Commonly Known or Reasonably Ascertainable Information

7.5 Valuation Reduction for Environmental Issues

7.6 Owner, Property Manager, and Occupant Information

7.7 Reason for Performing Phase I

7.8 Other

8.0 Records Review

8.1 Standard Environmental Record Sources

- 8.2 Additional Environmental Record Sources
- 8.3 Physical Setting Source(s)
- 8.4 Historical Use Information on the Property
- 8.5 Historical Use Information on Adjoining Properties

9.0 Site Reconnaissance

- 9.1 Methodology and Limiting Conditions
- 9.2 General Site Setting
- 9.3 Exterior Observations
- 9.4 Interior Observations

10.0 Interviews (Please list name and contact information for each person interviewed.)

- 10.1 Interview with Owner
- 10.2 Interview with Site Manager
- 10.3 Interviews with Occupants
- 10.4 Interviews with Local Government Officials
- 10.5 Interviews with Others

11.0 Findings (see ASTM E 1527-05 Section 12.5)

12.0 Opinion

- 12.1: Opinion (see ASTM E 1527-05 Section 12.6)
- 12.2: Additional Investigation
- 12.3: Data Gaps (see ASTM E 1527-05 Section 12.7)
- 12.4: Conclusions (see ASTM E 1527-05 Sections 12.8.1 or 12.8.2)
- 12.5: Deviations (see ASTM 1 E 1527-05 Section 2.10)
- 12.6: Signature of Environmental Professional
- 12.7: Environmental Professional Statement (see ASTM E 1527-05 Sections 13.1 and .2)

13.0 Conclusions

14.0 MSHDA Seller's Environmental Questionnaire and Disclosure Statement

- 14.1 Consultants conclusions of Seller's Disclosure Statement

15.0 MSHDA User's Environmental Questionnaire and Disclosure Statement

- 15.1 Consultants conclusions of User's Disclosure Statement

16.0 Non-Scope Services' Discussion

- 16.1 Friable and Non-friable Asbestos Containing Materials (ACMs)
- 16.2 Lead-Based Paint
- 16.3 Formaldehyde Insulation
- 16.4 Radon Gas
- 16.5 100-year Floodplain
- 16.6 Wetlands
- 16.7 EMF
- 16.8 High Pressure Buried Gas Lines

- 16.9 Noise analysis
- 16.10 Compliance with Activity and Use Limitations (AULs)
- 16.11 Assessment of Potential Vapor Intrusion Conditions, ASTM E 2600-08.

17.0 Deviations

18.0 Additional Services

19.0 References

20.0 Qualification(s) of Environmental Professional(s)

21.0 Appendices

- 22.1 Site (Vicinity) Map
- 22.2 Development Site Plan
- 22.3 Site Photographs
- 22.4 Historical Research Documentation (aerial photographs, fire insurance maps, historical topographic maps, city directory searches, etc.)
- 22.5 Regulatory Records Documentation, including local database reviews
- 22.6 Interview Documentation
- 22.7 Non-Scope Services' Documentation (asbestos, LBP, radon, floodplain, wetlands, EMF, etc.)
- 22.8 Special Contractual Conditions between User and Environmental Professional