



Midwest Lenders Conference Environmental Panel

September 29, 2026

Topics

- ECO review/concept call/signatures
- Mortgagee Letter
- Road to Housing
- Part 55
- Program comment/ACHP
- Local/regional issues
- Contacts and resource links





Recent Changes to Environmental Review Process

- ECO review for Environmental Assessments with 200+ units are no longer required. (Interim Final Rule effective June 22)
- Housing Environmental staff attending more concept calls for early assistance to expedite reviews at application
- Final approval of EIS waivers for noise impacts comes from Housing A/S (formerly CPD A/S)
- Similar change in approval authority proposed for floodplain alternate processing

Housing Environmental Team



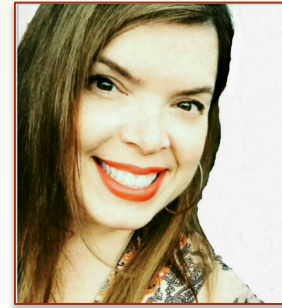
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Lauren Hayes
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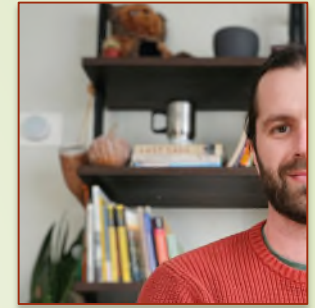
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Mortgagee Letter: 2026-04

Updates to Multiple Environmental Requirements for the Multifamily Accelerated Processing Guide ("MAP Guide") Effective Date: May 4, 2026

Webinar - Updates to MAP Guide Environmental Requirements Webinar - HUD Exchange

Updates include revisions to MAP Guide requirements on:

- Railroad Vibration
- Pressurized Pipelines
- Fall Hazards and High Voltage Power Lines
- Defining Noise Sensitive Outdoor Use

Railroad Vibration 9.6.8.K	Railyards 9.6.8.K	Pressurized Pipelines 9.6.19.B	Fall Hazards 9.6.19.C
Removed “Buildings closer than 100 feet to a railroad track...should be examined for damage caused by vibrations. A railroad vibration study and vibration mitigating measures may be required.” HUD has determined this is an underwriting concern and does not belong in Chapter 9.	Removed railyard paragraph from this section of the MAP Guide. Railyards must still be considered as sources of loud impulsive sounds as per 24 CFR 51.103(b). New fact sheet provides simple instructions for considering railyards.	Returns to the 2011 MAP Guide framework. “All parts of any residential structures, including those structures occupied by residents or property staff for regular duration during the day... must be at least 10 feet from the outer boundary of the easement of a pipeline transferring flammable or combustible liquids and gases that exceed 200 psi operating pressure.”	‘Engineered fall distance’ replaced with simple 50% of tower height. Only applies to residential structures, defined to include structures occupied by residents or property staff for regular duration during the day, not ancillary facilities and common areas. For new or existing buildings within 50% of tower height, engineer's report simplified to reference industry standards (ASCE-7 or TIA ANSI/TIA-222-I) and proper maintenance.

High Voltage Power Lines 9.6.19.C

Restriction within the easement of high voltage power lines applies only to residential structures, including structures occupied by residents or property staff for regular duration, and playgrounds.

Noise Sensitive Outdoor Amenities 9.6.8.L

Ancillary use area description	Noise sensitive?	Justification
Swimming pool Playground	Yes	Potential safety issues if verbal warnings are not intelligible
Dog run or dog wash Car wash Trails Undefined/Open areas	No	Speech communication not required AND average duration of activity <14 hours/week
Private gathering space associated with individual dwelling unit (balconies, patios, porches, decks, and terraces constructed integrally to a building)	No, however, must comply with Balcony Exemption Policy	See Balcony Exemption Policy at Section 9.6.8.l
Shared or common gathering outdoor space Other types of outdoor space, performance venue, sport or play area with specific use	Case-specific	Yes, if speech communication is required for safety or is an integral part of use No, if speech communication not required AND average duration of activity <14 hours/week



21st Century Road to Housing Act- became law July 11, 2026

Expanded Categorical Exclusions (Cat Ex Not Subject to Related Laws and Authorities (CENST) and Cat Ex Subject to Related Laws and Authorities (CEST)

CENST:

- Acquisitions (including leasing) of, disposition of, or equity loans on an existing structure. . . if the structure or land acquired, financed, or disposed of will be retained for the same use.

CEST:

- Conversion of existing office building to residential
- Urban Infill new construction

Implemented by HUD rulemaking

Proposed Floodplain Rule Published July 10th, 2026

Recission of 2024 Final Rule

- The July 2026 proposed rule would rescind and replace most of the final rule published in April 2024, including determination of the FFRMS in making applicable floodplain determinations.

Restore Prior Processes

- The rule would revise relevant HUD program regulations at 24 CFR part 55 and part 200, largely restoring the prior process for determining the regulatory floodplain.



RESTORES Previous Floodplain Boundaries

The floodplain of concern would be restored to the 1% annual chance floodplain for non-critical actions, and 0.2% annual chance floodplain for critical actions. Freeboard Value Approach would be removed from Part 55.



REVISED Elevation Requirements



Non-Critical Actions

Scope: All new construction and substantial improvement in 1% annual chance floodplain.

Elevation Standard: Must be designed and built at or above Base Flood Elevation (BFE).

Framework: Consistent with NFIP requirements.



Critical Actions

Scope: All newly constructed critical actions in either the 1% or 0.2% annual chance floodplains

Elevation Standard: Must be designed and built at or above the 0.2% annual chance floodplain.

Framework: Align with FEMA standards.



Non-Residential Floodproofing

Scope: Non-residential projects with no dwelling units below BFE

Alternative Standard: May be floodproof in accordance with FEMA's regulations at 44 CFR 60.3(c).

Framework: Align with FEMA standards.

RETAINED From 2024 Final Rule

Flexibilities for HUD Assistance in Floodways (55.1(c))

HUD assistance may proceed where:

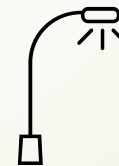
- *Structures and most improvements are removed from the floodway
- *A permanent covenant or comparable restriction prevents future development or expansion within the floodplain and/or wetland
- *Limited improvements in the floodway are still permitted, including:



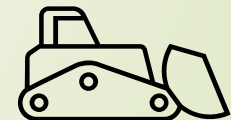
**Functionally
Dependent Uses**



Utility Lines



**De minimis
Improvements**



**Removal of
Structures**

RETAINED From 2024 Final Rule

Alternate Process for Nonconforming Sites (24 CFR 55.29)

Alternate processing is retained under a new § 55.29 which provides a special approval process for improvements to existing HUD-assisted or HUD-insured properties that cannot otherwise meet 55.1 (c) where:



1. 8-Step Review: HUD completes an 8-step decision making process and part 50 environmental review, mandates measures to reduce flood risk, and ensures compliance with parts 50, 51, 55, and 58.



2. Floodway: All residential units and critical action structures are removed from the flood way.



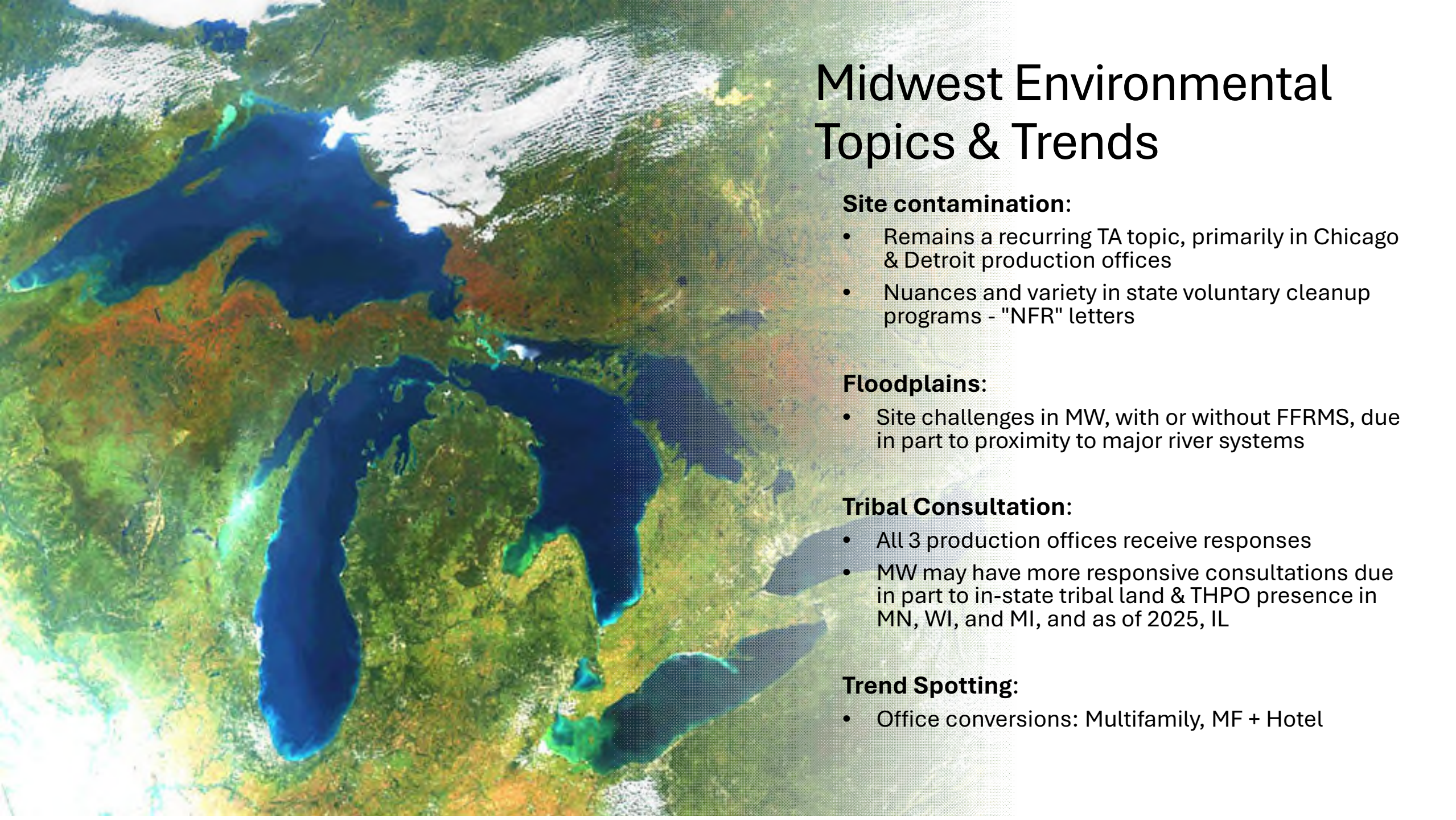
3. No Alternative: HUD determines that the assistance cannot be transferred to a safer site.

ACHP Program Comment

Advisory Council on Historic Preservation (ACHP) Program Comment (PC)

- [Program Comment on Certain Housing, Building, and Transportation Undertakings](#)
- Significantly reduce consultation requirements under National Historic Preservation Act (NHPA)
- Provides federal agencies a streamlined consultation alternative under 36 CFR 800.14(e)
- Adopted by HUD, USDA, DOD, EPA, DHS, USBR

Applicability	Implementation
Targeted Activities • Routine building maintenance & interior system repairs (HVAC, plumbing, electrical). • In-kind replacement of certain existing above-ground features e.g. roofing. • Replacement, installation, or removal of interior walls, ceilings, flooring, doors, light fixtures, hardware in individual units Appendix A: Exempt Undertakings • Only Appendix A is included currently • No Further Section 106 Review Required Appendix B: Conditional Exemptions • HUD will implement at a later date	January 5th, 2026 - HUD adopted the PC • Formal guidance in development August 2026 - HEROS Update • Historic Preservation screen will be updated to include Program Comment applicability question. • Scope of Work Checklist/Questionnaire in September. - o PC CAN'T be used without Checklist/Questionnaire Coming Soon - Training and Webinars • 3 targeted trainings: Part 50, Part 58, and SHPOs • HUD Exchange to be updated • Questionnaire/Checklist



Midwest Environmental Topics & Trends

Site contamination:

- Remains a recurring TA topic, primarily in Chicago & Detroit production offices
- Nuances and variety in state voluntary cleanup programs - "NFR" letters

Floodplains:

- Site challenges in MW, with or without FFRMS, due in part to proximity to major river systems

Tribal Consultation:

- All 3 production offices receive responses
- MW may have more responsive consultations due in part to in-state tribal land & THPO presence in MN, WI, and MI, and as of 2025, IL

Trend Spotting:

- Office conversions: Multifamily, MF + Hotel

Housing Environmental Team

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Environmental Review Resources

- Office of Housing Environmental Review on HUDExchange
 - Fact Sheets: <https://www.hudexchange.info/programs/environmental-review/housing/fact-sheets/>
 - Training recordings and slides: <https://www.hudexchange.info/programs/environmental-review/housing/#training>
 - Guidance materials: <https://www.hudexchange.info/programs/environmental-review/housing/#housing-environmental-guidance>
- HUD-wide Environmental Review on HUDExchange: <https://www.hudexchange.info/programs/environmental-review/>
- May 2026 Mortgagee Letter on Environmental Requirements: <https://www.hud.gov/sites/default/files/hudclips/documents/2026-04hsgml.pdf>