

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000



OFFICE OF HOUSING

ADMINISTRATIVE MEMORANDUM
OFFICE OF MULTIFAMILY HOUSING PRODUCTION

MEMORANDUM FOR: All Multifamily Mortgagees
All Multifamily Regional and Satellite Office Directors & Production Staff

FROM: Willie Fobbs, III, Director, Office of Multifamily Production

SUBJECT: Guidance on Considering Climate Change in Environmental Assessment Factors for Multifamily Projects

A. PURPOSE & BACKGROUND

Considering impacts from Climate Change in federal decision-making is a key focus of the Biden administration and supported by the Office of Multifamily Housing. HUD's Office of Environment and Energy recently issued an updated [Environmental Assessment eGuide](#) that includes new Environmental Assessment (EA) factors related to Climate Change, along with an associated [webinar](#) and an [FAQ document](#). The eGuide is written generally for all HUD programs that trigger an EA level review. This guidance applies specifically to Multifamily Housing and lays out a path for implementation.

B. APPLICABILITY AND TIMING

The Environmental Assessment eGuide applies to all new construction projects and to substantial rehabilitation projects that require an EA level review. The eGuide does not apply to refinance or rehabilitation actions that are Categorically Excluded from NEPA.

Applications already submitted (including those in the queue) do not need to update the environmental review to include the new EA factors. In addition, this memo introduces a transition period for new applications to include climate change EA factors.

After December 1, 2022, EA level applications must discuss reasonably foreseeable climate impacts over the life of the mortgage and address mitigation measures that would be prudent to implement at the construction stage.

C. PROCESS

After December 1, 2022, Multifamily Housing will require consideration of reasonably foreseeable climate impacts as part of a complete Environmental Assessment level review along with the other EA factors. Just as with the other EA factors, the analysis and level of detail will vary from project to project. For example, a project designed to house families will focus on access to schools, parks and recreation while a project designed to house seniors would instead focus on healthcare and social services. Similarly, impacts from climate change will vary significantly based on project location.

i. Considering Climate Risks

- All applicants must analyze likely current hazard risk by entering property addresses into FEMA's [National Risk Index](#) (NRI), identify which hazards are "relatively high" or "very high" for their census tract, and generate and submit the NRI report for the census tract. Applicants may explain why census tract hazards do not apply to their specific site (e.g., a site located on top of a hill may not face riverine flooding risk). Some risks displayed in this tool are not related to climate (e.g., seismic activity) and can be addressed in other EA factors.
- Applicants must also consider future climate risk over the term of the mortgage. Applicants may use climate projection tools such as [Climate Explorer](#), [Risk Factor](#), [NOAA Sea Level Rise Viewer](#), and [Climate Central Coastal Risk Screening Tool](#) (by year and/or water level). HUD's EA Factor eGuide training recommends the Climate Explorer tool and Housing would accept a summary of the top climate concerns from the site's "Take Action" Tab. It may be necessary to supplement Climate Explorer with a source such as Risk Factor to capture projected flood or wildfire risks. HUD would also accept equivalent reports from the other sources.
- For both NRI and the climate projection reports, applicants should provide a narrative description detailing how the scope of work addresses or mitigates against any climate hazard risks identified in the reports.

ii. Mitigation for Climate Risks

If reasonably foreseeable climate risks are present, applicants must consider potential mitigation measures that would be prudent to implement at the construction stage.

For example:

- If excessive heat is an issue, consider using multi-pane and/or low-e coated windows, window shading, cool roofs, or enhanced roof and wall insulation. Consider adding air conditioning to areas of the country that haven't historically needed them (like the Pacific Northwest.) Consider adding solar power or back-up generators for power grid overloads.
- If harsh winters are an issue, consider using enhanced insulation and multi-pane windows. Consider areas of the country that haven't historically had harsh winters (like Texas and the Southeast.) Consider adding solar power or back-up generators for power grid overloads.
- If the project is in an area at risk from wildfires, consider incorporating noncombustible or fire-resistant materials, fire-safe landscaping and defensible spaces around buildings
- If air quality from wildfires or other sources is an issue, address indoor air quality with filters and purifiers.
- If flooding is an issue, follow MAP Guide requirements regarding elevation, resident safety and notification plus consider additional measures to reduce floodwater such as permeable pavement, green roof, bioswales, dry wells.
- Consider evacuation and safety plans for storm, fire or flood risks.

iii. Energy Efficiency

The EA factors element also asks HUD to consider the project's contributions to climate change via building materials and energy use. This would be a place to note if a project is a transit oriented development, participating in Green MIP, or offering amenities such as bike storage or electric vehicle charging stations. At this time, Multifamily programs do not have specific Greenhouse Gas Emissions benchmarks to meet as part of the environmental assessment.

D. NEXT STEPS and CONTACT

HUD has made updating the environmental regulations at 24 CFR Part 50 and Part 58 to include strategies to mitigate climate related hazards and health impacts a priority under its [Climate Action Plan](#). This update will be more comprehensive in scope than the Environmental Assessment Factors eGuide. HUD will solicit feedback from our partners as part of this rulemaking.

Housing staff will continue to meet with lender environmental working groups on this topic to discuss implementation.

For any questions concerning this memorandum, please contact Sara Jensen, Housing Program Environmental Clearance Officer at 206-220-5226 or sara.jensen@hud.gov.