



Site Contamination Due Diligence

All property proposed for use in HUD programs must be free of hazardous materials, contamination, toxic chemical and gasses, and radioactive substances, where a hazard could affect the health and safety of occupants according to 24 CFR Part 50.3(i) and 24 CFR 58.5(i)(2).

Phase I Environmental Site Assessment

- All projects that involve multi-family residences (5+ units), non-residential properties (commercial properties, municipal property, vacant land), or acquisition require completion of a Phase I Environmental Site Assessment (ESA) in accordance with [ASTM E-1257-13](#).
 - A Vapor Encroachment Screening, in accordance with [ASTM E2600-10](#), needs to be included as part of the Phase I ESA.
- A Phase I ESA is the industry standard to determine if the proposed project property has had a past release of hazardous substances or if there is potential for a release in the future.
- It is important to know that Phase I ESA's have a shelf life. The Phase I must be prepared within 6 months of the property transaction.
 - This period can be extended to 1 year by updated the Phase I.
 - If it is greater than a year old, a new Phase I will be required.
- Phase I ESA's must be completed by an [Environmental Professional](#).
- See HUD's Using a [Phase I Environmental Assessment to Document Compliance with HUD Environmental Standards](#) for additional information.
- The Phase I serves to identify potential Recognized Environmental Conditions (RECs) on the proposed project property.



- If RECs are identified in the Phase I, further site contamination and mitigation practices will likely be recommended for the project.
 - The report will outline what mitigation is required.
- The Phase I may also recognize HRECs or CRECs.
 - HREC: Historical Recognized Environmental Condition
 - This determination will be used if there was a past release on the property, but it has been determined to be addressed to a satisfactory level. Not subject to ongoing controls
 - CREC: Controlled Recognized Environmental Condition
 - This determination will be used if there was a past release on the property that has been addressed to a satisfactory level. These are often conditional based on ongoing controls.
- If the Phase I identifies RECs, consultation with the [Vermont Department of Environmental Conservation \(DEC\) Site Management Section \(SMS\)](#) and a Phase II ESA will be required.

Phase II Environmental Site Assessment

- If RECs are identified in the Phase I ESA for your project, plan for 30-days for [DEC SMS](#) to review and comment on the Phase I ESA and proposed work plan for the Phase II ESA (both documents are needed for their review).
- Once the Phase II work plan has received approval from DEC SMS and the Phase II itself has been completed by an Environmental Professional, the conclusion of the assessment will determine if there is further work needed.
- If the Phase II confirms that there is contamination in the proposed project area, a Corrective Action Plan (CAP) is the next step to complete due diligence for site contamination.

Corrective Action Plan



- The Corrective Action Plan (CAP) will serve as a clean-up plan for the proposed project plan.
- The CAP is also subject to review and approval by DEC SMS.
- If your project rises to a CAP, due to the time needed for consultation and toxic sites review, it is very likely that the original Phase I will reach the 180-day (6 month) threshold and will need to be updated. If it has been a year, a new Phase I will be needed.
 - Please plan and budget accordingly to incorporate the extra time and funds that may be needed for extensive toxic sites mitigation and cleanup.
 - Site contamination is one factor that can add time to the Environmental Review process, so it is best to start as early in the process as possible.
- Mitigation measures that are outlined in the CAP or the other site contamination assessments will likely be a condition of your Environmental Release that will be carried out during project implementation.

For Projects in the Brownfields Program:

- Please reference the [Vermont Brownfields Handbook](#)
- Projects addressing site contamination that are also enrolled in the Brownfields Reuse and Environmental Liability Limitations Act (BRELLA) have a slightly different process.

Moving Through the Brownfields Program

The VT DEC Sites Management Section recognizes that every brownfield redevelopment project will be unique. However, the process depicted in the flowchart below can be considered a general guideline for moving through the Brownfields Program. Further details are provided later in this document.

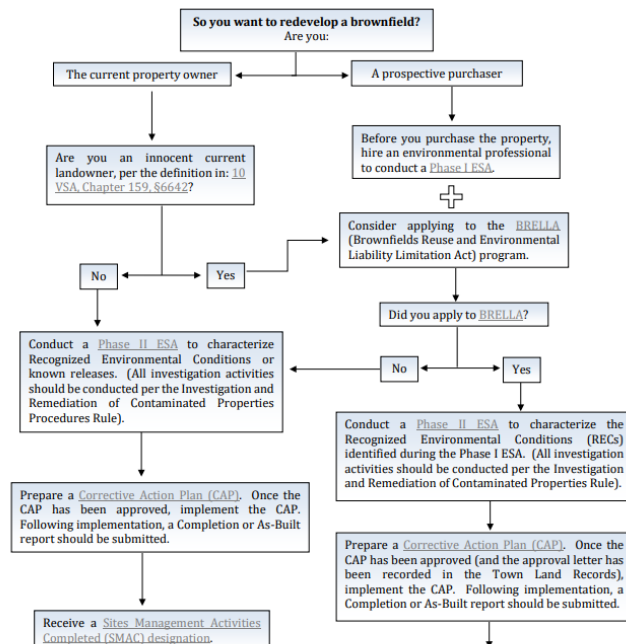


Figure 1: Source: Vermont Brownfields Program Handbook



Mold, Lead, Asbestos, & Radon Mitigation

Mold (24 CFR Part 5, Subpart G, §5.703)

- A visual inspection must be performed and can be completed by anyone.
- HUD requires that all dwelling units and common areas have proper ventilation and be free of mold.
- Abatement will be required if mold is observed.

Lead (24 CFR Part 35, Subpart B)

- HUD requires projects to follow HUD's Lead Safe Housing Rules.
 - Exemptions: Buildings constructed in 1978 or later, housing exclusively for elderly people with disabilities, zero-bedroom dwellings, unoccupied housing that will remain vacant until it is demolished, and non-residential property.
- Required testing and abatement for lead depends on the cost of the project as well as the level of paint disturbance.
 - See [24 CFR Part 35 Subpart B](#) for more information on abatement levels.

Asbestos (40 CFR Part 61, Subpart M)

- Asbestos Containing Materials (ACM) can be found in buildings built prior to 1978.
- Removal of asbestos is required prior to demolition, renovation, or rehabilitation.
- A qualified asbestos inspector must perform an asbestos survey if a project involves renovation or rehabilitation.
- Demolition projects should follow pre-construction requirements of ASTM E 2356-18



- If the completed asbestos surveys show the presence of asbestos, there will need to be an appropriate mix of asbestos abatement and an asbestos Operations & Maintenance Plan.

Radon

- Multi-housing family projects require a radon test and must be completed by a Radon Professional.
 - The test must be completed post construction/rehabilitation and before occupancy.
- If radon tests indicate levels at or above 4.0 pCi/L, a radon mitigation system must be installed.
- Note: On January 11th, 2024, HUD released a new Departmental Policy for Addressing Radon in the Environmental Review Process.
 - See here for the [notice](#).
 - Please coordinate with the [Environmental Officer](#) to ensure compliance.

Environmental Review Contact Information

Grace Vinson, Environmental Officer
Agency of Commerce & Community Development, DHCD
grace.vinson@vermont.gov, 802-622-4236

Gabbie Wray, Environmental Specialist
Agency of Commerce & Community Development, DHCD
gabrielle.wray@vermont.gov, 802-636-7255