

FY 2004 Annual Field Environmental Report

Office of Environment and Energy



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U.S. Department of Housing and Urban Development
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FY 2004 Annual Report
HUD Regional and Field Environmental Officers

Executive Summary

The City of Chicago's decision to take on the Environmental Review responsibility for its 38,000 units of Public Housing was a landmark decision that has paved the way for a historic transformation in that city. Many cities have been reluctant to assume HUD's environmental authority under Part 58, despite the coordinating and oversight role it provides for HUD's major development programs. The City of Chicago, however, has been able to assure that mammoth projects such as the redevelopment of Cabrini Green and Madden Wells—approved in 2004—move smoothly and expertly toward successful environmental clearance despite a plethora of difficult issues including toxic soils requiring complex remediation strategies.

According to City staff, it is having the experienced, trained staff at both HUD and the local level that have allowed them to confront difficult re-development issues and assure that there is no new notoriety attached to these Public Housing sites. The original public housing sites for both of these projects were former industrial locations lying along rail lines and interstate highways, and the buildings themselves have historic value to preservationists. So the environmental issues have been daunting. The Chicago Public Housing 'Plan of Transformation' calls for the redevelopment of 25,000 units of low- and moderate-income housing. To keep such a large redevelopment project moving has required a partnership, and HUD's environmental staff has worked with the City to make sure that the historic Chicago Plan of Transformation moves forward.

The Chicago case study is just one example that illustrates the work of HUD's Field Environmental staff. Making sure that Federal, state and local agencies effectively navigate Federal environmental regulations requires knowledge, expertise, and experience. The hands-on help and training of state, local government, and other HUD staff, has produced tangible results, as the body of this report illustrates. The end product of the day-to-day application of environmental assistance is innovative housing and community development projects within a context of environmental excellence.

A big part of the OEE workload in FY 2004 was to establish a new regional structure for HUD environmental work. All ten (10) HUD Regions now have Regional Environmental Officers who supervise the environmental function for all states in their area, and report on an annual basis to the OEE in HUD Headquarters. OEE began the year integrating new Regional Environmental Work Plans as components of the overall HUD Management Plan. The Departmental Management Plan contained three distinct goals for FY 2004, and the OEE record of meeting and exceeding Management Plan environmental performance goals has continued during this transition to a regional structure. The highlights of FY 2004 for OEE and its REO/FEO staff include the following:

- There were no serious environmental sanctions initiated in FY 2004. Whereas in recent years environmental sanctions have resulted in total expenditure restrictions against both CPD State and Entitlement grantees for egregious failures in environmental processing, training of state and local staff has been successful in generating adequate capacity to forego the most serious concerns.
- REO/FEOs monitored 117 state and entitlement communities for compliance with Part 58 environmental requirements, exceeding the Departmental Management Plan goal by 17 percent. Although a greater percentage of letters contained findings than in FY 2003, environmental non-compliance was not as serious as in prior years. It is more likely that greater experience by new FEOs, and greater confidence in FEO staff, still relatively new in many areas, resulted in more monitoring findings. Data on environmental monitoring is included in Appendices 1 and 2.
- Training of Responsible Entity staff—State and Entitlements executing HUD environmental review authority—continues to expand its reach. A total of 1,250 local staff attended two- and three-day training sessions conducted by REO and FEO staff in most all of the 10 HUD regions. Data on training by state is available in Appendix 3.
- OEE published a revised Part 58 regulation in September of last year that took effect in October. One of the notable changes was to broaden coverage of Part 58.22 to prohibit private parties to a Federal project from expending funds prior to the completion of the environmental process. The impact of this regulatory change has been an increase in the number of waiver requests submitted by Responsible Entities.
- OEE participated with CPD during FY 2004 in the publication of risk analysis guidelines, and is participating with CPD in the drafting of a revision to the Monitoring Handbook.

Conclusion

The involvement of FEOs in local projects during FY 2004 are highlighted in the case studies provided at the end of this report. The report also provides information on the issues that have arisen during monitoring of Responsible Entities during FY 2004, and changes that have occurred as environmental field staff have re-established their function in areas previously under-served.

FY 2004 HUD Field Environmental Officers Report

Introduction

This report provides extensive performance data on Environmental Management Plan goals for FY 2004, as well as anecdotal information on the activities undertaken in HUD Field Offices across the country to assure that major projects like the Chicago Plan of Transformation move forward within the context of the National Environmental Policy Act of 1969 (NEPA) and other related laws that guide the work of HUD's environmental staff. This report provides summary information and analysis on the activities undertaken by the HUD Regional and Field Environmental Officers (REO/FEOs) during Fiscal Year (FY) 2004 and provides performance information including data on Departmental Management Plan goals for environment.

The report will also highlight policy issues that surfaced in the resolution of various environmental issues and local environmental reviews. Numerous policy issues arose during the course of the year that became the subject of in-depth discussion. The first relates to the Department's Office of Public Housing, where OEE continues to encourage cities like Chicago to assume authority for environmental review. Communities that undertake Part 58 environmental review responsibility can achieve a greater degree of program coordination and control for numerous HUD programs. OEE has not achieved complete success in promoting this policy goal, however. HUD's Quality Management Review (QMR) of field offices, in which OEE staff participated in FY 2004, surfaced additional policy issues that will be discussed in greater depth in the report.

Environmental Management Plan Summary

The Department's Management Plan is a mechanism for establishing performance goals to assure accountability and standards for excellence. In FY 2004 the Departmental Management Plan specified at C2.09m2, m3, and m4 that HUD would meet the following environmental goals:

- In-depth, on-site monitoring of 100 of Responsible Entities for full compliance with Part 58, Environmental Review Procedures for Responsible Entities Assuming HUD Environmental Responsibilities.
- Train 600 staff from various Responsible Entities in environmental review procedures.
- Train 200 HUD staff in environmental review procedures.

This report will detail the activities undertaken by REO/FEO staff to meet Management Plan Goals. The report details also the individual performance of FEOs and aggregates information on their overall activities nationally. The report is organized around the Management Plan goals, but also other FEO activities such as technical assistance and environmental assessments for which no specific goals exist.

Environmental Training

The total number of Tribes, States and Entitlement communities functioning as Responsible Entities assuming HUD environmental review requirements is currently approximately 1,175 entities. Assuring that each one has adequately trained staff, knowledgeable in HUD regulations and procedures is a very large undertaking.

- 1,250 RE staff were trained in Part 58, Environmental Review Procedures during FY 2004, a significant improvement on the original Management Plan goal. RE staff from 48 states were trained, several from areas where training had not been available in several years.

Training of Responsible Entity (RE) Staff

Training of RE staff in the procedures for environmental review is the first and most effective means for assuring that Departmental programs and projects comply with the National Environmental Policy Act (NEPA) of 1969 and related laws. Additionally, well-trained staff at the State and local level can facilitate the planning process of which environmental assessment is but one of many preliminary procedures necessary for the success of community development projects. Training efforts by FEOs assure that HUD-funded projects receive the appropriate level of environmental review and that environmental assessments can be performed quickly and effectively so that projects are not delayed.

The 1,250 RE staff attending environmental training exceeded goals. However, while the limited availability of training in previous years has generated significant demand in FY 2004, there remain a few holes in the overall training effort. Several CPD directors have expressed concern that environmental training in their area does not meet existing needs. Finally, there appears to be a high turnover of local government staff who perform the HUD environmental review. These indications support a concern that there is considerable unmet demand for environmental training in FY 2005. Travel funds to allow new FEOs to reach into previously un-served areas should be a priority for FY 2005, especially for Hawaii, that has neither had on-site training, nor have RE staff attended training on the mainland. Similarly, Puerto Rico has not had a comprehensive environmental training session other than limited one-on-one technical assistance. Training will remain an emphasis in FY 2005 and more costly venues will get the priority that has limited access in the past.

It is important to note that on-site monitoring in FY 2004 failed to find the depth of non-compliance that had occurred in limited instances in FY 2002-2003. Although the overall scrutiny of grantee performance has increased as on-site monitoring has extended the coverage of environmental staff, the success of the training program can be seen in the reduction of severe non-compliance. The maps below indicate where training occurred over the last two years and the relative coverage for all states.

Figure 1. Environmental Training, FY 2003

Environmental Training by State

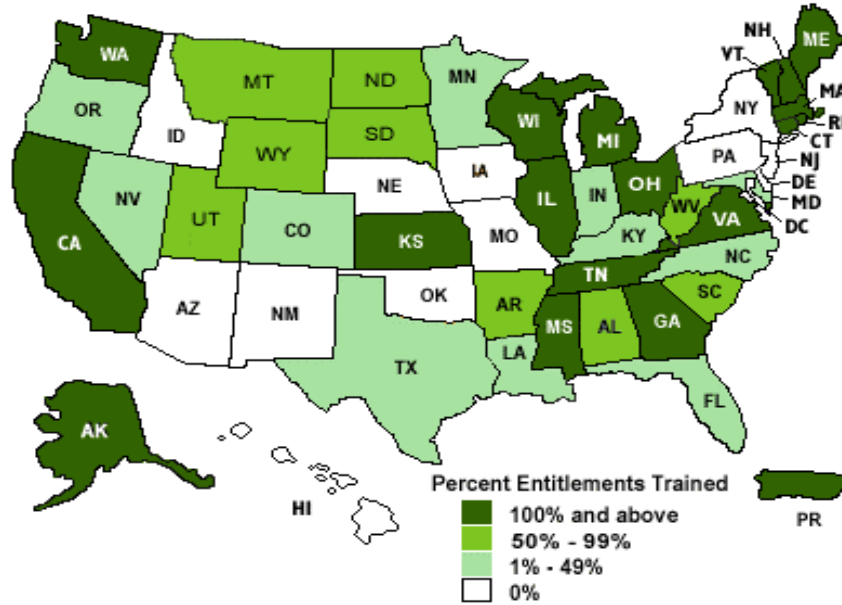
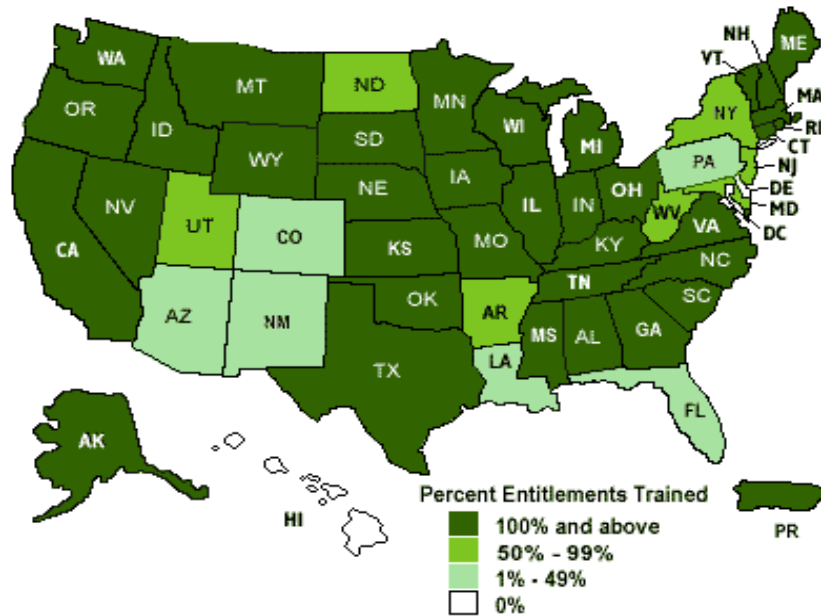


Figure 2. Cumulative Environmental Training, FY 2003 and 2004

Environmental Training by State



A comparison of the two maps shows the large number of states, such as New York and several Great Plains states, where training efforts were initiated for the first time in FY 2004. Data for all training by state is provided in Appendix 3 at the end of the report.

Training of HUD Staff

In FY 2003 four hundred and seventy-five HUD staff persons participated in a five-hour satellite training session that was not repeated in FY 2004. Individual training sessions of HUD staff were held in several offices, but overall the training efforts were significantly lower in 2004, and OEE failed to meet its goal of training 200 HUD staff during the year.

FEOs conducted several training sessions for HUD staff during FY 2004, and trainings for States and localities were available for HUD staff. However, only one hundred and forty-one HUD staff got training in basic environmental review procedures during the year. To address this shortfall, OEE will focus additional resources in FY 2005 on training HUD program office staff in HQ and the field.

In-depth Environmental Monitoring

In FY 2004 FEOs monitored 117 Responsible Entities for basic compliance with Part 58 Environmental Review Procedures. This number exceeded the Management Plan goal by 17 percent and represented a 45 percent increase over the 80 monitoring trips completed in FY 2003. The increase results from the number of new REO/FEO staff who are now fully trained and functioning at higher levels in all aspects of their local operations.

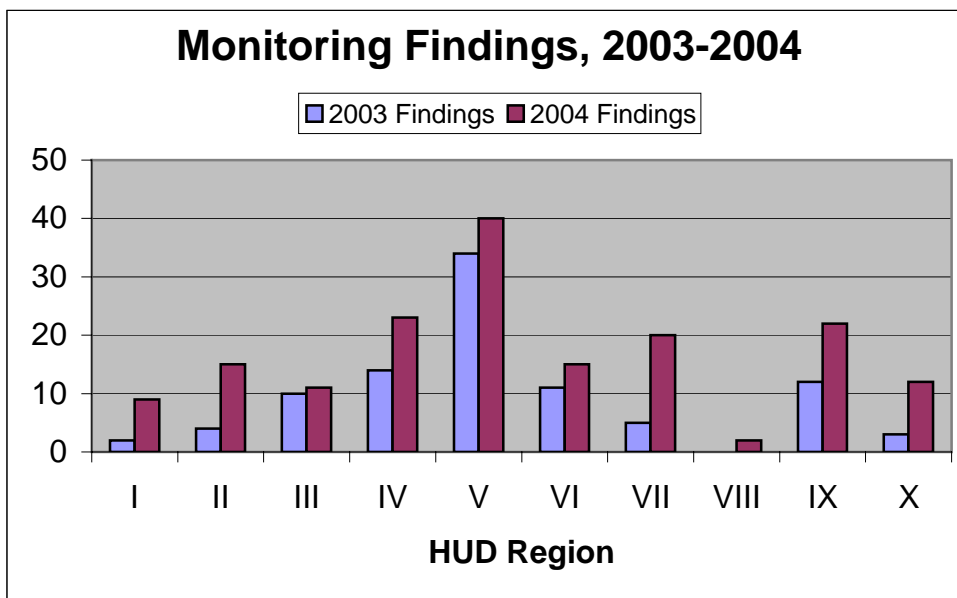
Of significant importance is the improvement overall whereby neither State nor Entitlement grantees were in egregious non-compliance during FY 2004. During FY 2002-2003, several State and Entitlement grantees were failing to complete any part of their environmental procedures for their major HUD programs. A broader program of on-site environmental monitoring has found fewer serious environmental concerns in FY 2004. No sanctions or withdrawal of program funds were initiated during FY 2004. Extensive environmental training of RE staff, and where necessary, case-by-case oversight by REO/FEO staff, have increased the level of compliance overall.

Findings and Concerns

In FY 2004, there was a significant increase in the number of findings and concerns, both overall, and averaged for all monitoring letters as well. In FY 2003, REO/FEO-conducted environmental monitoring led to 157 findings and concerns for 76 monitoring letters sent, or an average of slightly more than 2 findings and concerns per letter. In FY 2004, 117 environmental monitoring letters contained 279 findings and concerns, which is closer to 2 and one half per letter, an increase of 17 percent from FY 2003 to 2004.

What is more striking than the increase in Findings and Concerns, is the very large increase in the number of findings from 2003 to 2004. In FY 2003 the number of findings was only 95, slightly more than 1 per letter, but in 2004 the number of findings increased to 182, almost 2 per letter. The number of concerns remained almost exactly the same per letter. The obvious explanation for the increase in environmental monitoring findings would be an increase in non-compliance. That seems unlikely given the reduction in the instances where sanctions were employed. The more reasonable explanation is the greater level of comfort that new REO/FEO staff have in initiating compliance actions, and the increased confidence that CPD and Field Office directors have in the abilities. Since the monitoring letters that contain findings must originate from program office or field office directors, it may be that program office staff have greater confidence in citing grantees now that they have worked with new environmental staff for more than a year now.

Figure 3. Environmental Monitoring Findings 2003-2004



Another way to analyze the data is to examine the average number of findings and concerns per region. This data, contained in Appendix 2, provides a means to examine the complexity of the letters being generated. Figure 4—next page below--indicates that Regions I, III, and IX for example, make a higher percentage of findings per monitoring letter. It is unlikely that the environmental performance of REs varies as greatly as the differing level of complexity seen in monitoring letters region by region.

Coverage

The data for environmental monitoring is provided in Appendices 1 and 2. Data in Appendix 2, Environmental Monitoring Data for 2003-2004 also analyzes the coverage being achieved. There are nearly 1,200 State and Entitlement grantees receiving CPD

formula allocations, who operate under Part 58 as Responsible Entities (REs). ‘Coverage’ refers to the percentage of these REs that have been monitored during the fiscal year. The statistics used for Figure 5 provide a two year coverage percent, for fiscal years 2003 and 2004. Figure 5 also provides the total number of monitoring letters for FY 2003 and FY 2004 and illustrates how regions that conduct numerous monitoring visits may still not have staff to achieve adequate coverage.

Figure 4. Average Findings and Concerns by Region

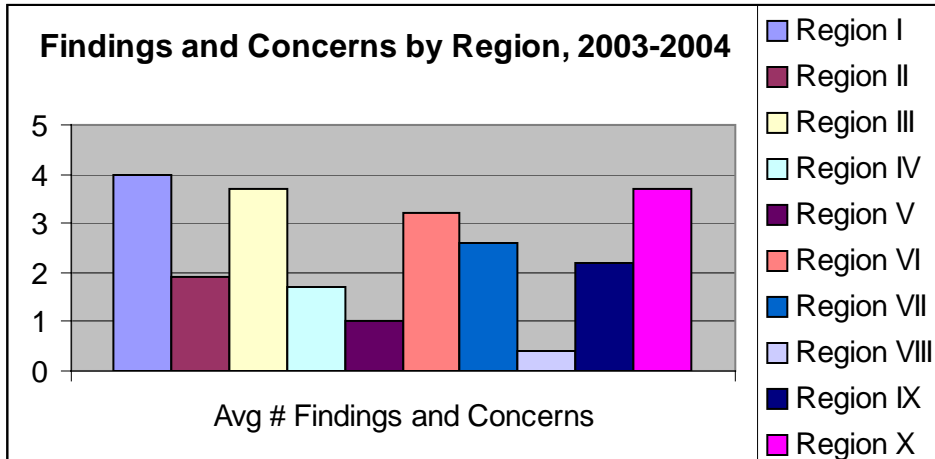
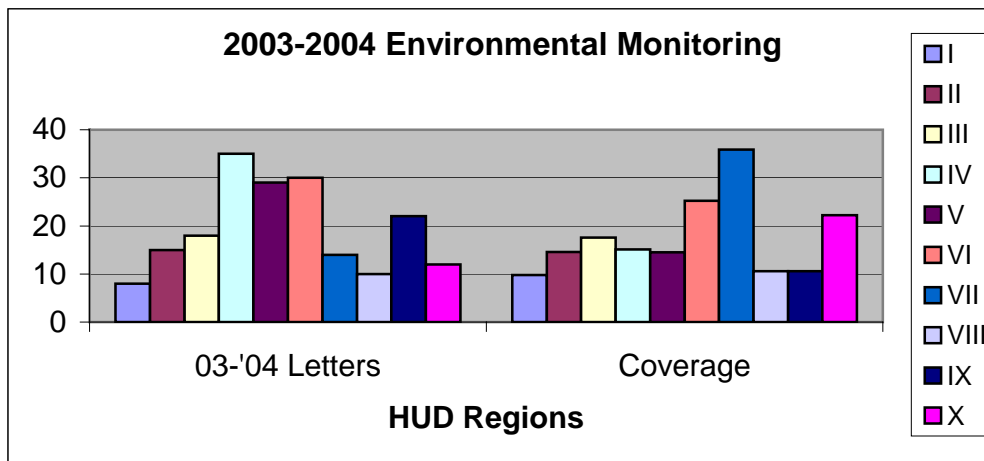


Figure 5 below provides data on coverage by region. As can be seen in the graphic, those HUD Regions that have conducted the most environmental monitoring for the past two years, have not also achieved the greatest coverage. Coverage is a function of the number of staff versus the number of grantees, so that while Region IV—that generated the highest number of letters, Region VII generated the largest coverage percentage. The difference is a function of the number of staff relative to the monitoring workload.

Figure 5. Monitoring Coverage by Region



Appendix 1 provides data on monitoring findings and concerns for seven distinct categories of environmental non-compliance, that occur most often. Although in FY 2003 the Findings and Concerns were spread fairly evenly among these categories, the most commonly cited issue was lack of complete compliance with the Federal laws and authorities at Sections 58.5 and 58.6. That category has changed in FY 2004. The most commonly cited issue by almost two to one in FY 2004, is the lack of availability or completeness of the ERR. Although this concern often indicated an egregious lack of record keeping, it also indicated that the Environmental Assessment (EA) process itself was flawed in notable ways. The problem with the ERR was often a consistent failure to include various documentation on statutory requirements. This concern overlaps with the completeness of the EA itself and these two categories often indicate a similar problem occurring with the RE's environmental review procedures..

Although the data in Appendix 1 do not break down the separate environmental issues included in a typical Environmental Assessment performed by the RE—floodplain, historic preservation, noise, etc, a second pass was made through the letters where findings and concerns were made as to the completeness of the ERR and the completeness of EA itself. Based on this analysis, the difficulties most commonly faced by REs focus on the their ability to complete the Sec. 106 Historic Preservation (HP) process and the eight-step process for Flood Plain issues found at Sec. 55.20. Both of these issues require local staff with adequate experience in addressing these areas of the EA process. The problems noted in the monitoring letters range from outright failure to include these issues when required, failure to adequately document the findings in the ERR, and failure to provide a final answer on the issue prior to the RROF, specifically failure to complete the necessary HP procedures. The recurring problems in these areas may indicate a need to place greater emphasis on both training and technical assistance specifically targeted to these specific requirements articulated in the related laws.

In FY 2003, there was an indication, noted in the annual report, that the frequency of findings indicated that senior FEOs, as opposed to those recently hired, were more likely to initiate findings in their monitoring letters. That difference no longer applies and there is now a slight tendency for more recently hired FEOs to initiate Findings and Concerns more frequently. This may result from the fact that newer staff have been deployed in areas where there had not been an environmental presence.

Environmental Assessment

The number of environmental assessments performed by HUD's environmental staff under Part 50, continues to be a large work component for REO/FEOs despite the significant decline in the number of Part 50 programs. Program staff do not have adequate training in environmental review responsibilities to handle even the most common review procedures for Exempt Activities and Categorical Excluded activities not subject to the related laws. The largest reason for this shift in responsibility back onto HUD staff is that Responsible Entities (States and Entitlement Communities) opt out claiming not to have the capacity for the assessment. However, some FEOs have been successful in facilitating acceptance by REs of their responsibility. Nevertheless, the total number of EAs

performed by FEOs remains high and exerts a negative pressure on the workload of FEOs and limits their ability to focus on other necessary and productive components of the Field Office's environmental work program. The total number of assessments is provided in Appendix 4 of this report, although data on program-by-program assessments was not updated for FY 2004.

Although the total number of assessments declined from 565 EAs in FY 2003 to 460 in FY 2004, the reduction was not uniform and is the result of notable reductions in a small number of offices. In many offices the numbers remained relatively constant, and it is not anticipated that they will change as long as the total number of EDI special projects grants continues to increase.

Technical Assistance

Field Environmental Officers provide assistance to a wide audience on a variety of topics. They serve as experts on regulatory requirements including flood plains, historic preservation, noise, endangered species, and toxic hazards. Additionally, they serve as contact points within the Department for topics that often exceed their regulatory focus including topics such as Energy, Radon, Asbestos, mold and other air-borne contaminants. Outlined below are some of the interesting issues addressed during FY 2004 by FEO staff across the country:

Energy

HUD Field Environmental Staff provide assistance on a variety of energy related issues including Energy Star, Energy Efficient Mortgages, performance contracting for public housing, combined heat and power for housing and community development, green building design and energy issues in NEPA reviews. They most commonly engage clients on these issues when conducting training, speaking at conferences, interagency cooperation, or in one-on-one technical assistance.

Deborah Peavler-Stewart, REO Seattle, and Laurence Doxsey, FEO San Antonio, were designated HUD Regional Energy Representatives for Region X and Region VI respectively, two of the ten selected pursuant to the Deputy Secretary's June memo of instructions on field office participation in implementing the HUD *Energy Action Plan (EAP)*. Doxsey participated in preparation of the *EAP* on detail to the Energy Task Force in 2001-2. See: <http://www.hud.gov/offices/cpd/energyenviron/energy/>

Environmental Field staff were involved in the implementation of the HUD-DOE Interagency Agreement to promote combined heat and power. They have been identified as HUD contacts for the eight DOE CHP Regional Application Centers (RAC). Howard Kutzer, REO Denver, attended the kickoff for DOE's Intermountain RAC meeting. Christopher Higgins, FEO Hartford, has attended several meetings and workshops sponsored by the Northeast Combined Heat and Power Initiative; he explored with Multifamily Housing staff the potential for installing CHP in a 25-year old project, and he

is collecting examples of feasibility assessments used by PHAs with successful CHP installations in Connecticut.

Field staff were also involved in promoting the use of Energy Star. Bill Skwersky, REO Philadelphia, sent Energy Star material to CDBG Entitlement grantees and State Administering Agencies. He cross-cut the Energy Star material with CPD, Public Housing, the HOC and Multifamily Hub staff to support them in the implementation of their Energy Action Plan-related Management Plan goals.

The Environmental Staff in Chicago and San Antonio have been particularly involved in a wide range of energy activities.

- Eugene Goldfarb conducted his last, “Energy Performance Contracting for Public Housing,” this past year as he retired at the end of the year. He developed the course in 1998 with the Argonne National Laboratory and has given it annually in June with support from the University of Illinois. Forty-eight participants representing 16 public housing authorities and 6 energy service companies, plus 7 HUD staff, participated in the five-day course that involved classroom work, case studies and a field trip followed by calculating a deal. It was more than fully subscribed and appeared to be financially self-sufficient. For his work on this course he was recognized as an "Energy Champion" by the US Department of Energy's Federal Energy Management Program(FEMP). For for the citation and photo see: http://www.eere.energy.gov/femp/yhttp/goldfarb_fall2000.html

Eugene also arranged for the CPD Director to send Energy Star promotional material to 44 entitlement grantees and participated in a presentation on an Energy Star bulk purchasing initiative for public housing. He worked with the Illinois Department of Commerce and Economic Opportunity initiative to promote Energy Star around the state.

Laurence Doxsey, the FEO in San Antonio joined HUD in 1999. This year’s activities included developing the August 25 conference/training for 80 builders and housing providers, including Colonias, at University of Texas-Pan American, Edinburg, TX (Lower Rio Grande Valley). Presentations included Energy Star (by EPA), EEMS (by HUD FHA), PATH (by Carlos Martin of HUD PD&R) and Rebuild America, with State energy experts (including TX A&M Energy Systems Lab).

He delivered a presentation Dec 8 on HUD's *Energy Action Plan* for 120 Entitlement Communities mostly from Texas and some other states in Region VI in Ft. Worth, TX. He arranged for an Energy Star presentation to this group from US EPA’s chief for Energy Star for Homes. He participated in the December 15 statewide Energy Leadership Conference, an energy and green building conference in San Antonio, developing and moderating a session on affordable green building. Provided information on the one-year pilot project to test the guidelines for the green Building Program for Health Care Facilities, “...the healthcare sector’s first

quantifiable sustainable design toolkit integrating enhanced environmental and health principles and practices into the planning, design, construction, operations and maintenance of their facilities.” See: <http://www.gghc.org> and www.imaginesolar.com.

Kerry Johnson, FEO Richmond, like Bill Skwersky, has been sending the PIH energy news letter to about 120 Virginia and DC clients through an e-memo. HUD Richmond is still involved with the Energy Star/ 1611 house reconstruction project in conjunction with EPA on the original site of Henricus, the first city west of Jamestown VA, circa 1615.

The following reports illustrate other technical assistance aspects of FEO performance and the unique ways that some FEOs have found to facilitate sound environmental planning in housing and community development projects:

Regional Reports

New Jersey—Mike Furda

The Florida Avenue Industrial Park development project of Bridgeton, NJ, presented serious problems with enforcement of Coastal Zone Management and Sole Source Aquifers and Watersheds. Mike Furda, the FEO in the Newark HUD Office, worked with the State Department of Environmental Protection, EPA and the City of Bridgeton to resolve a controversial proposal to clear-cut a fifty (50) acre parcel that would ‘pave’ the way for a much needed industrial-office complex.

A task force of residents formulated a plan for watershed protection that sought to minimize the development impacts of the project, opposing the plan’s large scale removal of vegetation from the site. The adverse environmental impacts--increased floodwaters and storm-water runoff-- and the natural environment concerns--groundwater infiltration were raised by the Newark Office and the State of New Jersey. The development plan was revised, and two-thirds of the site—ultimately found to include natural pine species found only in the Pinelands of New Jersey--will not be disturbed during construction. The successful resolution was achieved by the FEO working in a local partnership with various agencies all looking for ways to assure critical protection of the human and natural environment. Mike’s careful examination of preservation plans and related studies requested as part of verifiable source data in the Part 50 environmental review documentation process, was essential in resolving the issues.

The City of Henricus, Virginia—Kerry Johnson

HUD, EPA and the Virginia State Historic Preservation Office have worked together on a project that will celebrate 400 Years of Homeownership. The project will include replicas of the original homes developed almost 400 years ago in the City of Henricus, founded in 1611 on the James River. One replica will be an exact copy of the homes built originally, and one will be an Energy Star version that will feature how simple

structures can be made efficient by grafting modern technology with more ‘traditional’ building methods. The project has been complicated by the imposing shadow of a major power generating plant adjacent along the James River. EPA’s involvement has focused on mitigating the impacts of the power plant. HUD will be participating this year in the official commemoration of the site and the ceremony will be broadcast on Public Television.

Lexington, Kentucky

Another historic restoration project, slightly more modern than its Virginia predecessor, is the Robert Williams Cultural Center in Lexington, Kentucky. In 1892, the Center was opened as a “Colored Orphan Industrial Home,” funded and operated by African American women who were one generation removed from slavery. Renovations are being completed with CDBG funds and under the guidance of a Memorandum of Agreement with the Kentucky State Historic Preservation Officer. The renovation has also encountered other environmental obstacles uncovered during the Phase I, including asbestos abatement. After a year when the Center was vacant and un-used, the renovations were completed in the fall and the Center is open and functioning within the low- and moderate-income neighborhood as an exhibit and meeting space, and a classroom building for a variety of local programs including summer camps, performing and visual arts classes, after-school tutoring, and lectures.

Milwaukee, Wisconsin—Kathleen Schmidt

FEO Kathy Schmidt in Milwaukee has been working with the City of Milwaukee and the CPD staff in Milwaukee on a Brownfields redevelopment project that will provide innovative environmental impacts as well as provide a much needed economic boost to a large under-utilized industrial site. The site of the former Milwaukee Road Rail yard and shops, the site will now feature Stormwater Park, where stormwater management techniques to clean pollutants from storm runoff will also provide natural park areas as well as recreational parks. The majority of the site will be used as a light industrial park., but the greatest economic impact may be from the new green vistas along the Menomonee River itself.

Kansas City, Kansas—Paul Mohr

Exposure to radon in indoor air poses a lethal risk to housing residents. Recognized by the US EPA as the second leading cause of lung cancer (after smoking), radon is estimated to be responsible for 21,000 deaths annually in the United States. Paul Mohr, REO in Region VII, has taken measures (when reviewing projects under HUD’s Part 50 environmental regulation) to protect occupants of new housing from this radioactive gas.

Where plans for new housing include below-grade space for occupancy, and where the potential for radon is high, as determined from maps provided by the EPA and US Geological Survey, Mohr has required developers to provide radon-resistant construction.

Installation of a vapor barrier and gas venting system is inexpensive if installed at the time of construction. Mohr encourages additional cost savings by allowing for completion of a fully operational, actively vented system contingent upon post-construction test results that confirm the presence of radon at hazardous levels (at or above 4.0 pCi/L). Taking early action – at the design stage – provides for radon solutions that are both cost-effective and protective of the occupants.

St. Louis, Missouri—Sandy Freeman

The Greater St. Louis Empowerment Zone submitted the EnviRes Oil Reprocessing Project for environmental review required under 24 CFR Part 50. Using a new, patented process, the EnviRes Co. proposes to convert used motor oil into an essential component of new light hydrocarbon fuels that would be produced by Midwest oil refineries. An additional product of the re-processing of the used motor oil will be the residuals that are primarily composed of metal compounds and will be used by the asphalt manufacturing industry as a performance enhancer for asphalt. The original EZ loan portion of the project was for \$3,020,000 but was reduced in November 2004 to \$2,500,000.

The environmental review process has proven quite challenging. The site is a former industrial use fronting on the Mississippi River. Working closely with the Greater St. Louis Empowerment Zone staff, a draft environmental assessment has been prepared that addresses the many environmental concerns with the site, but most importantly toxics and a flood plain. There have been several high profile public meetings to date and numerous State and Federal agencies are involved, including the Department of Energy that is interested in the innovative qualities of the process. The St. Louis Field Environmental Officer, Sandy Freeman will continue working to assure that final EA is successfully prepared and submitted to the Assistant Secretary for CPD.

San Francisco—Ernest Molins

Several HOPE VI projects ran into significant stumbling blocks regarding environmental clearance during FY 2004. In Fresno, California the Yosemite Village redevelopment proposal will revitalize the most blighted part of that city in the Central Valley, the lowest income area in the state. Although the public housing redevelopment only encompasses 200 units, EPA and DOE are targeting adjacent industrial sites for redevelopment as well. The overall development, including the housing, has economic impacts for the entire southeast corner of the City of Fresno. DOE, in partnership with Lawrence Livermore Lab, is employing innovative building technologies in both the housing and commercial projects, including cool roof technology to lower energy consumption in an area where conservation has become an important issue. Assuring timely environmental review of these complex proposals, including industrial sites, requires knowledgeable staff. The Federal and local staff working on the HOPE VI projects have drawn plaudits from local governments in the area.