

**Office of the Governor**  
State of Louisiana

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October 20, 2016

The Honorable Julián Castro  
Secretary  
U.S. Department of Housing and Urban Development  
451 7<sup>th</sup> Street S.W.  
Washington, DC 20410

Dear Secretary Castro:

I write today in the interest of promoting a speedy recovery from Louisiana's devastating flooding events, being good stewards of taxpayer dollars, and ensuring that our recovery actions do not have detrimental impacts on the environment or culture of our communities. With these interests in mind, I send this letter as a follow up to our telephone conversation October 13, 2016.

We understand that NEPA compliance under current HUD regulations requires Louisiana to perform a site-specific environmental review for every single-family home on which we may spend CDBG-DR funds for repair or renovation, even when no work is done outside the walls of the home and the footprint is unchanged. Should Louisiana receive an additional appropriation to fully meet our unmet housing needs from the devastating March and August floods, we could potentially serve more than 35,000 homeowners. At our current average cost of \$3,500 per site-specific environmental inspection, this cost could balloon to over \$105 million in costs of environmental review just for single-family home repairs, or 6% of the anticipated grant amount.

If required to perform the site-specific ERR for minor rehabilitations of \$30,000 or less, greater than 10% of the cost of the rehab will be consumed by environmental review costs. For context, FEMA is allowed under their interpretation of NEPA to not conduct site-specific reviews for their Individual Assistance grants, which can be up to \$33,000.

The result will likely be that the vast majority of homes will be repaired regardless of when or if an environmental review occurs, making this a redundant use of money that could be put to use for so many other constructive purposes. We are not proposing loosening any restrictions on floodplain development or bypassing NEPA compliance for other larger projects that will benefit from a full review. We are simply suggesting that the more effective approach

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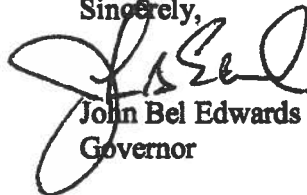
is to eliminate site-specific reviews for repair of single-family homes, thus avoiding this huge expense that essentially provides no return on investment.

One possible solution under the current appropriation is allowing the exemption available under 24 CFR 58.34(a)(10) for disaster housing programs funded with CDBG funds. At this stage, there seems to be resistance to the approach from personnel in HUD's Office of Environment and Energy. I am asking for your support in working with your team to develop a solution that would not require Louisiana to conduct a full site-specific environmental review for every single-family home we assist in performing rehabilitation activities.

With respect to future appropriations, I would welcome any input you and your team may have as to the type of language that might ease this burden while still accomplishing the objective of protecting our precious environment.

I believe this allowance will have a significant positive impact on the recovery of our state and that of other disaster impacted communities in the future with respect to the NEPA compliance process, and I offer my help and the assistance of my team in identifying a common-sense solution that accomplishes both federal and state objectives. Please let me know if you have any questions or concerns regarding this request. I look forward to your response.

Sincerely,



John Bel Edwards  
Governor

cc: Tammye H. Treviño, Regional Administrator  
U.S. Senator David Vitter  
U.S. Senator Bill Cassidy, M.D.  
Congressman Steve Scalise  
Congressman Cedric Richmond  
Congressman Charles W. Boustany, Jr., M.D.  
Congressman John C. Fleming, M.D.  
Congressman Ralph Abraham, M.D.  
Congressman Garret Graves