



U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Special Attention of:

Field CPD Division Directors
Field Environmental Officers
Field CPD Representatives

Notice: CPD-96-06

Issued: October 31, 1996
Expires: October 31, 1997

Subject: Field Environmental Processing for Loan Guarantee Recovery Fund

This Notice establishes the role of the HUD Field Office in the environmental processing under [24 CFR Part 50](#) for the Loan Guarantee Recovery Fund (LGRF) administered from Headquarters by the Financial Management Division (FMD) in the Office of Block Grant Assistance (OBGA).

The LGRF is authorized by Section 4 of the Church Arson Prevention Act of 1996 and implemented under a new [24 CFR Part 573](#). The LGRF meets an urgent need of certain non-profit organizations to rebuild their properties which have been damaged by an act of arson or terrorism. To address the damage to property, LGRF may be used to finance property acquisition, rehabilitation, new construction, site clearance, preparation, and improvements, for which HUD must comply with the National Environmental Policy Act and the related Federal environmental laws and authorities cited in § 50.4 prior to the HUD issuance of a letter of commitment.

FMD/OBGA will first contact the Field CPD Division Directors by phone or cc:mail to arrange for the environmental processing to take place within a given HUD Field Office and discuss a schedule to promptly complete the environmental review for specific properties for which a review is needed. This will be followed by a memorandum to the Field CPD Director from FMD/OBGA formally making the request for environmental processing and transmitting the environmental information received with the application. The Field CPD Directors shall confirm receipt by cc:mail and indicate the name of the CPD Representative (Rep) assigned to perform the environmental review. The CPD Field Coordination Division shall receive a copy of the initial cc:mail message dealing with environmental processing. This will ensure that Desk Officers are informed regarding this priority and the additional workload item is taken into account.

DBGF: Distribution: W-3-1

Field CPD Directors shall assure that the CPD Reps so assigned, conduct the environmental analysis, prepare and submit the environmental recommendations and Form [HUD-4128](#) (including source documentation). Consultation with the Field Chief, Production Division or other HUD staff familiar with the locality in which the property is

located, may be advisable to verify and validate environmental information submitted by prospective borrowers or their consultants. The Field CPD Director shall sign the HUD-4128 as supervisor at the space provided and forward the documents to the appropriate Field Environmental Officer (FEO) for a timely review before the final document is sent to FMD/OBGA. FEOs are responsible for checking the completeness and consistency of the documents with Part 50 before signing the [HUD-4128](#) at the space provided and are to return with comments (if any) to the Field CPD Director for forwarding to FMD/OBGA. Field CPD Directors shall provide the Field Coordination Division with a copy of the completion memorandum (not the environmental review) that is sent to FMA/OBGA.

FMD shall review the completed [HUD-4128](#); as a part of the loan guarantee agreement, shall (after consultation with the LGRF Program Attorney where appropriate) incorporate or assure the incorporation of any conditions for environmental mitigation measures or purchase of flood insurance; and obtain the signature of the Deputy Assistant Secretary for Grant Programs on the [HUD-4128](#) as the HUD approving official in the space provided. Copies of the environmental reviews and compliance findings shall be maintained in the FMD/OBGA project file.

To facilitate timely processing and minimize travel expenses for site inspection, S 573.8(e) of the LGRF regulations advises that the prospective borrower's architectural and engineering consultants consider certain environmental factors and provide information in their plan narratives as to how their construction plans conform with the environmental factors cited in S 573.8(b).

To support FMD/OBGA's compliance with part 50, the prospective borrower is required to submit the consultant's information and plan narrative discussing the pertinent environmental factors. Consultants are encouraged to obtain prior environmental reviews for the property, where available, and to discuss their questions for preparing the environmental narrative with the FEO or any other qualified data source with expertise or experience in environmental protection (e.g., the local community development agency; the local planning agency; the State environmental protection agency; or the State Historic Preservation Officer) or any other source qualified to provide reliable information on the particular property.

Data provided by prospective borrowers or their consultants may be used by the HUD approving official, who shall make an independent evaluation of the environmental issues, take responsibility for the scope and content of the environmental review, and make the environmental finding, where applicable in accordance with Sec. 50.11.

HUD Field Office staff are permitted to contact prospective borrowers or their consultants for the purpose of collecting data needed by HUD to do the environmental review, but need to be careful not to imply that the client being contacted is assured of approval.

When initiating contacts with clients, HUD Field Office personnel should keep Anthony Johnston, Deputy Director, Financial Management Division informed by phone (202) 708-0614 ext. 4560 (or FAX (202) 708-1798) in HUD Room 7178 or CC:Mail at CPDPOST1 as to the following: (i) environmental data needed; (2) time estimated in number of days it would normally take to obtain the data or data verification; and (3) the delay that may result in completing environmental processing by the Field Office. The purpose for coordinating with FMD/OBGA is to keep that office fully informed on an on-going basis of any potential problems or problem-inducing delays during the environmental review; it is not for seeking FMD/OBGA approval-for contacting applicants for the purpose of HUD's carrying out responsibilities for implementing this Notice.

FEOs are to provide technical assistance in order to ensure full understanding and implementation of this notice.