

Notice of Intent to Request Release of Funds, Final Notice and Public Explanation of Activity in the 100-Year Floodplain and Wetlands; Finding of No Significant Impact

November 2, 2018

City of Houston
Housing and Community Development Department (HCDD)
601 Sawyer St., 4th Floor
Houston, Texas 77007

To: All Interested Agencies, Groups, and Individuals:

These notices shall satisfy three separate but related procedural requirements for an activity to be undertaken by and within the jurisdiction of the City of Houston (City).

Per 24 CFR 58.33 and 24 CFR 55.20(b)(1), the combined Notice of Intent to Request Release of Funds (NOI-RROF), a Final Notice and Public Explanation of a Proposed Activity in the 100-Year Floodplain and Wetlands, and a Notice of Finding of No Significant Impact (FONSI) will be published on or about November 2, 2018, prior to the submission of the Request of Release of Funds (RROF) subject to regulation by 24 CFR Part 58. Over \$5 billion in federal funds were provided to the State of Texas by the United States Department of Housing and Urban Development (HUD) Community Development Block Grant-Disaster Recovery (CDBG-DR) program for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from Hurricane Harvey and the presidentially declared disaster in August, 2017. The Texas General Land Office (GLO) is administering these funds and allocated \$1,175,954,338 for the City to distribute for its long-term housing recovery activities described in the GLO's first substantial amendment to the State of Texas Action Plan for Disaster Recovery: Hurricane Harvey, as expected to be approved by HUD for publication in December, 2018. These funds are needed on an emergency basis due to continuing impacts resulting from the declared disaster. Proposed activities must comply with the National Environmental Policy Act (NEPA) and other applicable statutes, regulations, and authorities.

REQUEST FOR RELEASE OF FUNDS

The City Housing and Community Development Department (HCDD) serves as HUD's Responsible Entity in the administration of CDBG-DR funds for Hurricane Harvey disaster recovery efforts. On or about December 5, 2018 HCDD will submit a request to GLO for the release of CDBG-DR funds in the amount of \$596,729,436 to undertake two Build It Forward Houston (BIFH) programs targeting scattered single-family properties (1-4 units) for housing recovery activities where the addresses will remain unknown until the eligibility of applicants is determined by HCDD. Work will be completed primarily, but not exclusively in or near low- to moderate-income areas, and as summarized below.

- With \$392,759,436 the BIFH - Homeowner Assistance Program (HoAP) will help homeowners with rehabilitation and reconstruction of their storm-damaged single-family houses (1-4 Units) located outside the floodway but potentially within the regulated floodplain and proximate to wetland resource, with applicable elevation and mitigation measures. Options include a) City-managed rehabilitation and reconstruction; b) homeowner-managed rehabilitation; c) reimbursement of repair for eligible expenses; d) single-family home acquisition; and e) interim mortgage assistance.
- With \$204,000,000 the BIFH - Single-family Development Program (SFDP) will construct new single-family houses (1-4 units) on two types of residential lots made available for site selection. Initially, vacant lots owned by the City in existing residential neighborhoods that are not located within the floodway, 100-year floodplain, wetlands, or the Texas coastal management zone

boundary will be assessed for additional environmental compliance constraints to determine suitability and affordability for home construction. As additional vacant or occupied residential lots become available through other BIFH housing programs or the Houston Land Bank for residential neighborhood infill these will similarly be environmentally assessed to determine suitability. This SFDP option creates opportunities for low-and moderate-income homebuyers to move out of areas prone to flooding. It also may offer existing homeowners the opportunity to purchase new, affordable homes rather than proceed with necessary substantial rehabilitation or reconstruction of their storm-damaged homes under HoAP.

NOTICE AND PUBLIC EXPLANATION OF A PROPOSED ACTIVITY IN A 100-YEAR FLOODPLAIN

This notice is required by Section 2(a)(4) of Executive Order (EO) 11988, covers both Floodplain Management EO 11988 and Protection of Wetlands EO 11990, and is implemented by HUD Regulations found at 24 CFR 55.20(b). In accordance with NEPA and HUD requirements, a tiered environmental review of proposed BIFH-HoAP and BIFH-SFDP housing recovery activities is being conducted to evaluate potential environmental impacts, including those considered to be cumulative in nature. The Tier I Programmatic Environmental Review has completed the 8-Step Decision Making Process for actions in the floodplain and wetlands including public notices and has examined the following alternatives and mitigation measures to be taken to minimize adverse effects on these resources to preserve their natural and beneficial values. Program activities will be scattered throughout the City, which has 1.79 square Miles (1,147 acres) within the FEMA-designated A-Zone floodplain, and 71.16 square miles (45,544 acres) within the FEMA-designated X-zone and outside the designated one-percent annual floodplain. The City has no areas within the FEMA-designated V zone floodplain.

No Action in the 100-year Floodplain Alternative:

The No Action alternative is not proposed as it does not effectively achieve City goals of restoring the health and safety of Hurricane Harvey-damaged housing for its at-risk population, nor does it promote long-term planning and implementation of resiliency measures to mitigate damage in the 100-year floodplain and wetland resources from future weather extremes. Under this alternative, the HoAP activities would be limited to assisting homeowners with housing restoration activities on their residential properties situated only outside the floodway and 100-year floodplain, which is 152.36 square miles (25.5%) of the City's territory. HCDD thus anticipates potentially significant demographic change within the 100-year floodplain associated with displacement of low- to moderate income households from some long-established neighborhoods if they are not assisted. Cumulative environmental impacts could impact public health with the spread of slum and blight with reduction in local tax base. Depending on the scope of displacement, homeowners able to remain in the 100-year floodplain could be burdened by increased property maintenance costs, exposure to public health hazards, and potentially increased risk of exposure to the impacts of future weather extremes without adequate mitigation measures. Therefore, the No Action alternative for proposed HoAP activities does not effectively achieve goals for restoration of public safety with affordable housing solutions for Hurricane Harvey's most impacted population.

The No Action alternative is not applicable to SFDP as the City has already determined it will not apply the allocated CDBG-DR funds towards new home construction activities in the 100-year floodplain or wetland resources, inclusive of the floodway.

Limited Action Alternative:

A Limited Action in the 100-year floodplain was considered by the City in the aftermath of Hurricane Harvey's widespread impact to its housing sector. Deliberation on this alternative took into account the City's important and extensive efforts to revise and implement its Flood Management Plan, implement floodplain regulations, and prepare a flood insurance policy Coverage Improvement Plan as part of its

Community Ratings System (CRS) reverification with the National Flood Insurance Program (NFIP) in May 2016. The implementation of these flood control instruments through outreach efforts, and floodplain elevation certification activities was underway when Hurricane Harvey lingered to overwhelm much of southeast Texas with heavy rainfall.

Under this alternative the City's pre-Harvey Floodplain Ordinance would remain in effect and implemented in accordance with previous CDBG-DR funded projects. HoAP would provide assistance to eligible applicants with hurricane-damaged residential properties situated in the 100-year floodplain that may not be protective enough against some future flood events, yet the homeowner would be required to maintain the expense of participation in the NFIP. Projects could be conducted within the 100-year floodplain, and potentially within or near regulated wetland resources, that involve either reconstruction or substantial residential improvement costs exceeding 50% of the pre-disaster home value [24 CFR Part 55.2(b)(10)]. Per the pre-Harvey Floodplain Ordinance, such projects would require elevation of residential structures to one-foot above the 100-year floodplain Advisory Base Flood Elevation (ABFE) depth specified on the effective Flood Insurance Rate Map (FIRM) and continued NFIP participation. However, for the use of CDBG-DR funds, HUD would require a more protective elevation at two feet above the ABFE plus NFIP participation.

While the HUD elevation requirement under this alternative would be consistent with requirements applicable to CDBG-DR-funded activities under the 2015 and 2016 allocations to the City, it would not represent improvement for the City's participation in the NFIP since Hurricane Harvey. As many as 45,062 Hurricane Harvey-damaged single-family residential properties (1-4 units) are located within the 100-year floodplain. The City determined that only 12,278 of homes located here are NFIP-compliant and protected by floodplain insurance to some degree. However approximately 32,784 (73%) of homes damaged in the 100-year floodplain were flooded during Hurricane Harvey thus not adequately protected.

The SFDP is not proposing to apply CDBG-DR funds to new home construction on available single-family properties within the 100-year floodplain, wetlands or the coastal management zone boundary. However, the construction of new single homes in the 500-year floodplain would not be elevated. While the homebuyers would be advised about the risks of living in the floodplain they would not be required to maintain flood insurance, putting their investments at potential risk in the event of future flooding.

This alternative is not proposed as the City has determined it would not effectively contribute to restoration of damaged housing for some Houstonians located within the 100-year floodplain, particularly in light of Hurricane Harvey's devastating impact across multiple neighborhoods. Therefore, this Limited Action alternative would not provide sufficient flood protection nor promote continuous improvement in the City's long-term floodplain management planning with its ongoing landscape changes. Moreover, the implementation of more protective and resilient floodplain standards to mitigate damage from future flood events is preferred in order to improve the City CRS under its NFIP participation. Additionally, this alternative would not be consistent with Harris County's post-Harvey floodplain regulations that became effective on January 1, 2018 and require elevation of homes to two-feet above the ABFE displayed on the applicable FIRM.

Proposed Alternative:

After consideration of alternatives for post-Harvey disaster recovery action in the 100-year floodplain and across its jurisdiction the City determined that flood hazard mitigation measures should achieve a more protective and resilient scenario. Under the proposed alternative, the HoAP would assist eligible applicants to restore their hurricane-damaged residential properties situated in the 100-year floodplain in accordance with the City's Municipal Code, which includes the local Floodplain Ordinance that took effect on September 1, 2018 and is consistent with Harris County's 2018 floodplain management

regulations. Substantial improvements to residential homes, and reconstruction activities within the 100-year floodplain would require elevation to two feet above the 500-year floodplain ABFE depth specified on the effective FIRM or at least three feet above the highest adjacent grade where the depth number is not specified. In selecting this alternative the City contributes to restoration of damaged housing for its at-risk population in the 100-year floodplain in light of flood impacts received in 2015, 2016 and with Hurricane Harvey in 2017. It reflects and promotes continuous improvement in the City's long-term floodplain management planning and implementation of resiliency measures to mitigate damage from future flood events here.

HoAP housing construction activities within the 100-year floodplain will adhere to the local Floodplain Ordinance's design standards and mitigation requirements, which exceed previous standards and provisions for, among others, elevation of structures and mechanical systems, and the use of fill material. New home construction under SFDP would not occur in the 100-year floodplain, but those projects completed in the 500-year floodplain will be elevated in accordance with the more protective local Floodplain Ordinance.

For HoAP and SFDP, the City has considered feasible technological alternatives to achieve flood hazard reduction methods and the related mitigation costs associated with home construction activities in the regulated floodplain. Minimum design and construction standards for BIFH programs that include best management practices for stormwater and erosion control will ensure compliance with federal, state, and local requirements to be protective of the floodplain, wetlands as well as neighborhood infrastructure. Projects will be completed in accordance with federal and state requirements, as well as the City's applicable permitting requirements as established by its land development regulations, construction codes and standards, and applicable municipal ordinances that include the 2018 floodplain ordinance (<https://www.houstonpermittingcenter.org/node/127>). HoAP applicants and SFDP homebuyers will be advised about the hazards of living in and near the floodplains and the importance of participation in the National Flood Insurance Program.

The City is coordinating efforts with Harris County Flood Control District and other parties to consider a wide range of effective, cost-reasonable measures to mitigate potential impacts of proposed disaster recovery activities on human health and the environment, and to reduce the overall flood hazard. Measures to help improve the environmental quality and storm resilience of residential neighborhoods damaged by Hurricane Harvey will be incorporated where feasible to do so.

FINDING OF NO SIGNIFICANT IMPACT

Based on the Tier I Programmatic Environmental Review, per 24 CFR 58.15, HCDD has determined that the proposed HoAP and SFDP activities on a broad scale would not have a significant impact on the environment given the subsequent site-specific scale of environmental review to be performed prior to commencing recovery activities that ensure the implementation of required environmental mitigation measures. Therefore, an Environmental Impact Statement under NEPA is not required.

Additional information about proposed activities is contained in the Environmental Review Record on file with Mr. Tom McCasland, Director of HCDD, 601 Sawyer Street, 4th Floor, Houston, TX 77007 and may be examined or copied weekdays 8:00 A.M. to 5:00 P.M. This posting can be found by using the following link https://www.houstontx.gov/housing/public_legal_notices.html.

PUBLIC COMMENTS

All interested persons, groups and agencies are invited to submit written comments regarding the proposed use of federal funds for the described housing recovery activities within the floodplains and

regulated wetlands. HCDD is interested in alternatives and public perceptions of possible adverse impacts that could result from the described activities as well as potential mitigation measures. To review the City's floodplain and wetland resources maps included with this public notice, visit https://houstontx.gov/housing/public_legal_notices.

Written comments should be sent to HCDD at 601 Sawyer Street, 4th Floor, Houston, Texas 77007, Attention: Tom McCasland, HCDD Director. Comments may also be submitted via email to matthew.jenkins@houstontx.gov or Pirooz.farhoomand@houstontx.gov. Telephone inquiries regarding this public comment process will be addressed at (281) 531-3174. The minimum 15 calendar day comment period will begin the day after the publication and end on the 16th day after the publication. Such comments should be received by HCDD on or before November 19, 2018.

RELEASE OF FUNDS

HCDD certifies to HUD/GLO that Tom McCasland, in his capacity as Certifying Officer of the CDBG-DR funds for Hurricane Housing Recovery programs consents to accept the jurisdiction of the Federal Courts if an action is brought to enforce responsibilities in relation to the environmental review process and that these responsibilities have been satisfied. HUD/GLO's approval of the certification satisfies its responsibilities under NEPA and related laws and authorities, and allows the City to use CDBG-DR program funds.

OBJECTIONS TO THE RELEASE OF FUNDS

GLO/HUD will consider objections to its release of funds and HCDD's certification for a period of fifteen (15) days following its actual receipt of the request only if they are on one of the following bases: (a) the certification was not executed by the Certifying Officer of HCDD; (b) HCDD has omitted a step or failed to make a decision or finding required by HUD regulations at 24 CFR Part 58.; (c) the grant recipient or other participants in the project have committed funds or incurred costs not authorized by 24 CFR Part 58 before approval of a release of funds by HUD; or (d) another Federal agency acting pursuant to 40 CFR Part 1504 has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality. Objections must be prepared and submitted in accordance with the required procedures (24 CFR Part 58.76) and shall be addressed to David Camarena or Celine Finney, GLO, 1700 N. Congress Ave, Austin, Texas 78701-1495; or Stacia Johnson, HUD CPD Office, 1301 Fannin St, Suite 2200, Houston, Texas 77002. Potential Objectors should contact HUD to verify the actual last day of the objection period.

City of Houston: Sylvester Turner, Mayor

Housing and Community Development Department: Tom McCasland, Director

Date: **November 2, 2018**