

COMBINED FINAL NOTICE AND PUBLIC EXPLANATION OF A PROPOSED ACTIVITY IN A 100-YEAR FLOODPLAIN AND NOTICE OF FINDING OF NO SIGNIFICANT IMPACT AND INTENT TO REQUEST RELEASE OF FUNDS

March 9, 2014

Texas General Land Office

3429 Executive Center Drive, Suite 150

Austin, Texas 78731

512-861-4959

This Notice shall satisfy the above-cited three separate but related procedural notification requirements.

REQUEST FOR RELEASE OF FUNDS

On or about April 9, 2014, the Texas General Land Office (GLO) will submit a request to the HUD for the release of: (i) Community Development Block Grant (CDBG) funds under the Disaster Recovery (Hurricane Ike) Program in the estimated amount of approximately \$35,000,000 the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, (Public Law 110-329), enacted on September 30, 2008, as amended; (ii) HUD Replacement Housing Factor Funds in an amount of approximately \$1,200,000 TX24R017501-11, TX24R017501-12, TX24R017502-12, TX24R017501-13, TX24R017502-13, TX24R017501-14 and TX24R017502-14); (iii) Section 9 Operating Subsidy and (iv) Section 8 Project-Based Voucher assistance. Additional funding sources include GHA Insurance Proceeds in the estimated amount of approximately \$6,000,000 and potentially Low Income Housing Tax Credits and Private Debt. Funds will be used to construct the Magnolia Homes mixed use community that will include one hundred and sixty (160) family housing units with sixty four (64) public housing units. The project is part of a Master Development Plan to redevelop public housing stock managed by the Galveston Housing Authority.

The Project will be located on a two vacant tracts totaling 5.84-acres addressed at 1601 Strand Street, Galveston, Texas, which was formerly developed with a public housing project of the same name. The site is located in east Galveston close to the ship channel, The University of Texas Medical Branch, and two Nationally Registered Historic Districts including The Strand and The East End Historic District.

The new construction will be completed to provide both public housing and market units with a mix of one, two and three bedroom units in a combination of townhouses and garden units. The garden units will be in both walk-up buildings and within a corridor building, which will include the management spaces. All living spaces will be built above the flood plain elevation. The Project will provide two hundred eighty-two (282) parking spaces with a majority of them covered. The following unit amenities will be provided: i) covered entries and patios; ii) thirty year architectural shingles; iii) masonry, cement siding and/or stucco exteriors; iv) R-15 walls/ R-30 ceilings; v) 14 SEER HVAC systems; vi) nine square foot minimum storage closets; vii) nine foot ceilings in all living rooms and bedrooms.

Public infrastructure improvements to support the project will also be completed, to include but

not limited to, the removal of existing utilities; the placement of new public sanitary sewer lines and laterals, new public water mains and services, and new storm water lines and structures all within the existing right of way and utility easements; fire hydrants; conduits for power, telecommunications and cable distribution; new public streets, sidewalks and handicap ramps; street lighting and landscaping within the right of way. The exact scope of the public improvements will be defined in the final set of public infrastructure drawings that are approved by the City of Galveston Public Works Department.

The total cost for the project is estimated at \$42,000,000. This project has been classified as an environmental assessment per 24 CFR 58.36.

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

This is to give notice that the GLO has conducted an evaluation as required by Executive Order 11988, in accordance with HUD regulations at 24 CFR 55.20 Subpart C Procedures for Making Determinations on Floodplain Management, to determine the potential affect that its activity project in the floodplain will have on the human environment for the Hurricane Ike Round 2 CDBG Disaster Recovery Program. The entire 5.84-acre Project Site is located in Zone AE, the 100 year Floodplain. The 8-step decision-making process for floodplain mitigation has been completed for the Project.

The GLO has considered the following alternatives and mitigation measures to be taken to minimize adverse impacts and to restore and preserve natural and beneficial values: 1) No Action, 2) Construct the proposed development outside the 100-year floodplain, 3) Construct the development within the 100-year floodplain with proper mitigation.

After a review of the project's objectives, alternative three (3) was chosen. Alternate one (1) was not chosen because no action would fail to address the need for additional rental and public housing in the City of Galveston. A previous housing development, with the same name as the proposed Project was demolished after being significantly damaged by Hurricane Ike in 2008. Alternative two (2) was rejected since one of the prime site selection criteria for the Project is that it must be located within the city limits of Galveston, which is located entirely within the 100-year floodplain. Alternative three (3) is the preferred alternative since the selected site is currently owned by the Galveston Housing Authority, was the former location of the previous housing development, and provides access to public transportation, retail, and medical facilities. Mitigation will not include modifying the existing grade elevations; however the buildings will be constructed whereas the lowest livable floor will be on the second story and exceed the base flood elevation (BFE), by at least 4 feet. Preliminary FEMA FIRM maps indicate the BFE as 12 feet above mean sea level (MSL), however the second floor elevations will be constructed at approximately 16 feet MSL. The buildings will be constructed of materials which can withstand hurricane force winds and materials used in the ground floor will be resistant to moisture from floodwaters and designed to allow for running water to pass around the piers to reduce significant impacts to the structures. The project will meet all state and local floodplain regulations.

The Texas GLO has reevaluated the alternatives to building in the floodplain and has determined that it has no practicable alternative. Environmental files that document compliance with steps 3 through 6 of Executive Order 11988, are available for public inspection, review and copying

upon request at the times and location delineated in the next section of this notice for receipt of comments.

This activity will have no significant impact on the environment for the following reasons: 1) No increase to the existing ground elevations will be required, thus impacts to adjacent properties would be minimal. 2) Flood insurance will be maintained for the developments since portions of the buildings will remain in the floodplain. 3) The Galveston Housing Authority has a natural disaster response policy which would be implemented during a flood emergency.

There are three primary purposes for this notice. First, people who may be affected by activities in floodplains and those who have an interest in the protection of the natural environment should be given an opportunity to express their concerns and provide information about these areas. Second, an adequate public notice program can be an important public educational tool. The dissemination of information about floodplains can facilitate and enhance Federal efforts to reduce the risks associated with the occupancy and modification of these special areas. Third, as a matter of fairness, when the Federal government determines it will participate in actions taking place in floodplains, it must inform those who may be put at greater or continued risk.

FINDING OF NO SIGNIFICANT IMPACT

GLO has determined that the project will have no significant impact on the human environment. Therefore, an Environmental Impact Statement under the National Environmental Policy Act of 1969 (NEPA) is not required. Additional project information is contained in the Environmental Review Record (ERR) on file at GLO, 3429 Executive Center Drive, Suite 150, Austin, Texas 78731 and 1211 21st Street, Galveston, Texas 77550 and may be examined or copied weekdays 9:30 A.M. to 4:30 P.M.

PUBLIC COMMENTS

Any individual, group, or agency disagreeing with this determination or wishing to comment on the project may submit written comments to the GLO. Comments may also be submitted via phone at 866-206-1084. All comments received by April 8, 2014 will be considered by GLO prior to authorizing submission of a request for release of funds. Commenters should specify which part of this Notice they are addressing.

RELEASE OF FUNDS

The GLO certifies to HUD that Jorge Ramirez in his capacity as Senior Director 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's approval of the certification satisfies its responsibilities under NEPA and related laws and authorities, and allows the GLO to use Program funds.

OBJECTIONS TO RELEASE OF FUNDS

HUD will consider objections to its release of funds and the GLO certification received by April 28, 2014 or a period of fifteen days from its receipt of the request (whichever is later) only if they are on one of the following bases: (a) the certification was not executed by the Certifying Officer of the GLO; (b) the GLO 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) and shall be addressed to Ms. Tenille Parker, Director of Disaster Recovery, 451 7th Street SW, Room 7272, Washington DC 20410; or by email to tenille.s.parker@hud.gov; or by phone (202) 708-3587. Potential objectors should contact HUD to verify the actual last day of the objection period.

Certifying Officer: Jorge Ramirez, Senior Director, GLO