

Final Notice and Public Explanation of a Proposed Activity in a Wetland

Date: 7/16/2024

To: All interested Agencies, Groups and Individuals

This is to give notice that North Carolina Housing Finance Agency (NCHFA) under Part 58 has conducted an evaluation as required by Executive Order 11988 and/or 11990, in accordance with HUD regulations at 24 CFR 55.20 Subpart C Procedures for Making Determinations on Floodplain Management and Wetlands Protection. The activity is funded under HOME-ARP under M23-SG-37-0100. The proposed project is located at 2200 Homestead Rd in Chapel Hill, Orange County. Homestead Workforce is designed to be a 22-unit affordable apartment building for low-income households and is part of the larger Homestead Gardens development on approximately 12.42 acres. The existing wetland is 0.4 acres

NCHFA has considered the following alternatives and mitigation measures to be taken to minimize adverse impacts and to restore and preserve natural and beneficial values:

Alternative 1: Select a Different Site

Under this alternative, a different site is used to create 92 units of affordable housing on free land. The current site is owned by the Town of Chapel Hill, has been determined by the Town to be zoned/permitted for 100% affordable housing, and is being conveyed for 99 years to the project for free. No other sites meet those criteria at this time. Pursuing this alternative would mean waiting indefinitely for land that is appropriate to be donated to the project.

Alternative 2: Reduce the Scope of the Project to Have no Impact on Wetland

This alternative has already been undertaken to some extent. The entire wetland area on site is 19,428 sf. The original design included development of 132 housing units and included a crossing of the stream and wetland zone. That included 7,770 sf of wetland disturbance. The site was redesigned to, among other things, reduce impact on stream buffer and wetlands which also reduced the unit count to 92. The wetland disturbance has been reduced to a total of 1,700 sf which is located at the edge of the wetland area. Reducing the wetland disturbance to 0 sf would reduce the unit count to 54, which would make the entire project financially infeasible because the infrastructure and soft costs would be borne by far too few units. It would also mean 38 fewer households have safe, permanent housing for the next 99 years.

Alternative 3: Take No Action

This alternative is a viable path, but it would mean the Town of Chapel Hill would not have 92 units of permanently affordable housing, and \$14,762,747 of committed funding would be lost. There is a lack of affordable housing in Chapel Hill. 148 people were counted as homeless in the 2023 Point in Time Count. 30% of Orange County households are housing cost-burdened, including 54% of renters and 18% of homeowners. 2200 Homestead Rd is owned by the Town of Chapel Hill, and Town Council has authorized its development exclusively for affordable housing. Not developing on this parcel would mean currently homeless and cost-burdened households would remain in that circumstance.

Mitigation Measures and Benefits

- An engineered stormwater pond to manage stormwater runoff. Stormwater management plans increase runoff storage capacity on the site as a whole.
- Substantial retaining wall at the edge of development to reduce intrusion into the wetland area.
- As part of the development process, an old farm pond was drained, which expanded the useful wetland area. The expanded wetland area is more ecologically beneficial than the man-made farm pond.
- The site and specifically the eastern end of the wetland is currently covered with many invasive species including bamboo, wisteria, and ivy. These invasives will be removed as part of the development and replaced with native species.
- The wetland disturbance has been moved from the center of the wetland to an edge area to keep a more useful wetland area intact.
- In the location where the nature trail crosses the wetland, the wetland is only 4' wide. That crossing is spanned that area with a 15' long boardwalk section.
- The development of the project creates a greenway trail and bus stop which improves pedestrian connections which wouldn't happen if the development doesn't happen. Those alternative modes of transit and connectivity reduce greenhouse gases and improve human health.
- The greenway and nature trails, which do not directly impact the wetland, allow for people to access and see and experience the wetland.

The development will comply with all federal, state, and local wetland protection measures, including obtaining a Nationwide Permit No. 29. The proposed impact to the existing wetland is not large enough to warrant a 401 Water Quality Certification No. 4256.

NCHFAs has reevaluated the alternatives to building in the wetland and has determined that it has no practicable alternative. Environmental files that document compliance with steps 3 through 6 of Executive Order 11988 and/or 11990, are available for public inspection, review and copying upon request at the times and location delineated in the last paragraph of this notice for receipt of comments.

There are three primary purposes for this notice. First, people who may be affected by activities in wetlands 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 and request for public comment about wetlands can facilitate and enhance Federal efforts to reduce the risks and impacts 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 wetlands, it must inform those who may be put at greater or continued risk.

Written comments to this notice must be received by NCHFA at the following address on or before ***July 24, 2024***:

North Carolina Housing Finance Agency
Attention: Scott Farmer, Executive Director
3508 Bush Street, Raleigh, NC 27609
[\(919\) 877-5700](tel:(919)877-5700)

A full description of the project may also be reviewed from 9:00am to 4:00pm at:

North Carolina Housing Finance Agency
3508 Bush Street, Raleigh, NC 27609

Comments may also be submitted via email at EAQuestions@nchfa.com