Attachment 10A

Explanatory Note for Department of Housing and Urban Development (HUD) Report
May 3, 2010

Enclosed is the quarterly report on the U.S. Department of Housing and Urban Development's (HUD) American Recovery and Reinvestment Act (ARRA) Section 1609 activities, pertaining to compliance with the National Environmental Policy Act (NEPA) through March 31, 2010.

This quarter's report includes information on all of the HUD ARRA programs that have begun or completed their environmental compliance reviews. They are presented below and in this report, as they appear in the ARRA legislation:

- The Community Development Fund includes the Community Development Block Grant, Recovery Act, the Indian Community Development Program, Recovery Act and the Neighborhood Stabilization Program, Recovery Act. In this reporting period, an additional 506 grants were funded, bringing the total number of grants to 2987.
- Lead Hazard Reduction, Recovery Act contains the Lead Hazard Reduction Program, Recovery Act. Four additional Lead Hazard Reduction ARRA activities are reported for the period.
- Homelessness Prevention Fund, Recovery Act contains the Homelessness Prevention and Rapid Re- Housing Program.
- The Home Investment Partnership Program contains the Tax Credit Assistance Program. There are an additional 141 actions reported during this reporting period, bring the total number of such grants to 544.
- Project Based Rental Assistance, Recovery Act. Please note that the Office of Management and Budget has identified Project Based Rental Assistance recipients as exempt from Section 1512 reporting, based on the judgment that those funds are considered "payments to individuals."
- The Public Housing Capital Fund contains the Public Housing Capital Fund, Recovery Act. An additional 777 actions have been reported in this period, bringing the total number of such actions to over 5045.
- Green Retrofit, Recovery Act contains the Section 8, 202 and 811 Programs Green Retrofit Program. During this reporting period, seven grants were funded from the Green Retrofit program and were determined to be actions that were categorically excluded (see page 1 of the HUD spreadsheet).
- The Native American Housing Block Grant, Recovery Act contains the Native American Housing Block Grant, Recovery Program, both competitive and formula, and the Native Hawaiian Housing Block Grant, Recovery Act programs. An additional 665 grants were awarded during the reporting period, bringing the total number of such grants to 1487.

HUD reports that it continues to use and improve its new computerized information reporting system entitled Recovery Act Management Performance System (RAMPS) that collects ARRA Section 1609 compliance information for all HUD ARRA funded projects. The RAMPS system was developed in the third reporting period and has proven to be a valuable asset for gathering and reporting the information needed. RAMPS currently allows HUD to identify and report on environmental compliance reviews that have been pending for more than one complete reporting period (see Attachment 10B). As of March 31, there are 787 pending NEPA actions (246 environmental assessments and 541 categorical exclusions).

HUD is in the final stages of completing its most recent work to improve RAMPS to strengthen future reports. This work will enable HUD, in future reports, to provide information on why a project's environmental compliance review has been pending for more than one complete reporting period or when such projects' compliance reviews likely will be completed.

Benefits:

The following are several examples of HUD ARRA assisted projects that were improved as a result of NEPA and NEPA-related Federal environmental compliance review:

Project Name: St. Monica's School Teen Center
Project Location: Raleigh, North Carolina

Project Description: The City of Raleigh, NC used $523,000 of HUD CDBG-ARRA funds to update and renovate St. Monica's School for use as a Teen Center, while remaining sensitive to the building's historic characteristics. The City's Police and Parks and Recreation Departments proposed development of the Teen Center in response to a forum where teens described activities and resources needed in their community. The City did not have any funds available, due to budget decreases. Without CDBG-R, the Teen Center would not have been completed in the foreseeable future, and a historic resource would most likely have been threatened by ongoing neglect and abandonment.

St. Monica's School was founded by The Catholic Diocese of Raleigh in 1930 as the only Catholic school for African Americans in Raleigh, a situation that endured until 1967. St. Monica's has been designated a Historic Landmark and determined eligible for national status by the North Carolina State Historic Preservation Office (SHPO). The ARRA project will include a total internal renovation of the structure and its systems.

The National Environmental Policy Act requires agencies to consider and, where practicable, avoid, minimize or mitigate adverse effects to important historic, cultural, and natural aspects of the environment. The City's rehabilitation specifications have been reviewed by the NC State SHPO and conform to the *Secretary of Interior's Standards for Rehabilitation*. In addition, the Raleigh Historic District Commission (RHDC) has reviewed the project and approved the proposed renovations. St. Monica's also had asbestos and lead-based paint issues and original systems that needed replacement. The City has been an aggressive partner in pushing this project forward using the environmental review process to restore a community resource as an asset to citizens. See HUD Spreadsheet page 2, rows 9033 and 9063.

Project Name: Shubert Theatre Renovation
Project Location: Minneapolis, Minnesota

Project Description: The City of Minneapolis plans to use $1 mil of CDBG-R for renovation of the Schubert Theater. The theatre is a 1910 structure in the Beaux-Arts style and in its heyday was an imposing presence in the downtown Minneapolis performing arts district. It had fallen into disrepair and many people wanted to demolish it. Now, with ARRA funds and the intervention of the Minneapolis Community Development Agency, the building has been moved two blocks to the once again be a vibrant part of the city's theater district.

The work is being done by the non-profit developer, Artspace, based in Minneapolis. The Shubert will now be part of a 3 building performing arts complex and education center, contributing to the downtown economy and livability. The Schubert Center also offers an internet videoconferencing education program to provide interactive arts education to schools throughout Minnesota. Moving the theater also opened up the vacant site for re-development in the city's downtown area without the demolition of a historic resource. See HUD Spreadsheet page 2, rows 435 and 465.

Project Name: Cornerstone Apartments
Project Location: Topeka, KS
Project Sponsor: Cornerstone of Topeka, Inc.

Project Description: Cornerstone of Topeka, Inc., a community housing development organization, is developing an approximately $3 million project to consist of 20 units of affordable housing in 10 duplex units. Using $958,698 in TCAP funds, $473,000 in State HOME funds and approximately $100,000 in City of Topeka HOME funds Cornerstone, Inc. will construct these units on a site located at SW 13th and Long Streets in Topeka, Kansas.

While surrounding land uses are residential, the project is within 380 feet of Interstate 70, and noise from the highway is projected at nearly 70 decibels. Sound attenuation is required and will include the construction of six-foot-high concrete block fencing at strategic portions of the site to shelter exterior noise-sensitive areas such as patios and backyards. Interior noise attenuation will be provided using acoustical construction. All housing units will be constructed to the Energy Star performance standards and each housing unit will be handicap accessible. All units will provide protection from radon gas and each unit has a tornado safe room built to FEMA specifications which also serves as the unit's bathroom. Rents for the two-and-three bedroom units will range from $295 to $425 per month. See HUD Spreadsheet page 2, rows 7072 and 7102.

Project Name: Gathering Place Subdivision
Project Location: Coeur d'Alene Indian Reservation, Benewah County, Idaho

Project Description: The Coeur d'Alene Tribal Housing Authority (CDHTA) is using a $2 million ARRA grant to create the Gathering Place Subdivision, a 3.5 acre site that will be home to 12 rental units, 4 single-family homes, and 4 duplexes. All units will involve green development and incorporate LEED design elements such as rainwater harvesting, reuse/recycling of building materials and pollution prevention.

The project site was originally developed by the Bureau of Indian Affairs (BIA) in the early twentieth century on a Tribal trust property, within the Coeur d'Alene Indian Reservation in Benewah County, Idaho. Although the Tribal government and CDTHA believed the structures had been altered and no longer had historical significance, the Idaho SHPO requested that mitigation measures be taken under Section 106 of the National Historic Preservation Act of 1966.

The approach requested by the SHPO is limited to documentation of the original resources, and has not significantly slowed the progress of the project. The CDTHA did elect to preserve one of the original structures which historically served as the Tribe's jail. This building will be renovated to provide serve as a mail room.

Providing safe, affordable housing is essential to the HUD mission. The 36 green jobs created by this project are also essential to the local economy, but Improving the character of the neighborhood cannot go overlooked and architecture that ties the existing community to its past adds to that character. The CHTHA took the extra steps to make a better ARRA-funded project that will make a lasting contribution to the community in many ways. See HUD Spreadsheet page 2, rows 11008 and 11038.

Project Name: **Palestine Commons Senior Living Facility**
Project Location: Kansas City, MO
Project Sponsor: City of Kansas City, MO

Project Description: The project involves the construction of 69-units of elderly housing in a three-story structure at 3425 Prospect Avenue, Kansas City, Missouri. The ARRA funding consists of Community Development Block Grant funds ($750,000) from the City of Kansas City, Missouri, and Tax Credit Assistance Program funds ($1,947,026) from the Missouri Housing Development Commission. The NEPA review process helped ensure that soil and groundwater contamination will be remediated to state cleanup levels and that all units will be constructed to the Energy Star performance standard. This will likely be one of the largest multi-family buildings in the Kansas City metropolitan area to meet Energy Star requirements. See HUD Spreadsheet page 2, row 725.

Project Name: Snohomish Multi-family Rental Housing
Project Location: Marysville, Washington
Project Sponsor: Snohomish County Housing Authority

Project Description: The Snohomish County Housing Authority received $992,000 Neighborhood Stabilization Program funds and $3.3 million in Public Housing Recovery Act Capitol Funds to construct 19 units of multi-family housing in Marysville, Washington. The site is directly adjacent to Interstate 5, which is the main interstate highway on the West Coast. As part of the environmental review, Snohomish County, acting as responsible entity, conducted a noise assessment and determined that the noise at the site is at 72.5 DNL. This falls within HUD's normally unacceptable range for new housing – a level of less than 65 decibels is considered acceptable. HUD Region X environmental officers worked extensively with Snohomish County to help correctly calculate the noise, and to determine appropriate mitigation measures for the housing and an on-site tot lot. Mitigation for the housing will incorporate the best sound-attenuation construction technologies for windows, walls, and ceilings. Mitigating noise for the tot lot was achieved by altering the site plan and re-arranging building footprints to block sound transmission in the tot lot area, which was moved and provided shielding by buildings around it. By creatively applying HUD standards in the planning phase of the project, noise impacts to this project will be minimized. See HUD Spreadsheet page 2, row 7263.

###