



North Carolina Department of Public Safety

Office of Recovery and Resiliency

Josh Stein, Governor
Eddie M. Buffaloe, Jr., Secretary

Pryor Gibson, Interim Director

April 3, 2025

Mr. Bryant Morehead
County Manager
Haywood County
215 N. Main Street
Waynesville, NC 28786

Via email to: Bryant.Morehead@haywoodcountync.gov

RE: Notice to Proceed & Environmental Clearance
Balsam Edge
333 Howell Mill Road
Waynesville, NC 28786

Dear Mr. Morehead:

The North Carolina Office of Recovery and Resiliency (NCORR), as a recipient of Community Development Block Grant – Disaster Recovery (CDBG-DR) funds from the United States Department of Housing and Urban Development (HUD), is serving as the responsible entity for compliance with the HUD environmental review procedures set forth in 24 CFR Part 58. NCORR has completed its environmental review of the above-referenced Affordable Housing Development Fund project, and HUD has issued the Authority to Use Grant Funds (AUGF) on March 26, 2025. This Notice to Proceed certifies that the HUD environmental review requirements under 24 CFR Part 58 have been satisfied. This letter may be relied upon by Balsam Edge, LLC and its developer, partners and affiliates on condition that the project information submitted for the environmental review record was complete and accurate.

This letter constitutes the NCORR Environmental Clearance of this project, subject to the completion of the closeout items listed in the attached NCORR Project-specific Environmental Closeout Items Letter. If you have any questions or require additional information, please feel free to contact Andrea Gievers at (845) 682-1700 or via email at Andrea.L.Gievers@Rebuild.NC.gov. Thank you for your time and assistance.

Mailing Address:
Post Office Box 110465
Durham, NC 27709



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Sincerely,



Andrea Gievers, JD, MSEL, ERM
NCORR Environmental Subject Matter Expert

Attachments: NCORR Project-specific Environmental Closeout Items Letter

CC: Tracey Colores, NCORR Community Development Director,
Tracey.Colores@ncdps.gov
Michele Wiggins, NCORR Housing Opportunities Manager,
Tammy.Wiggins@ncdps.gov
Hannah White, Haywood County, Community & Economic Development Manager,
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Justin Tuttle, Mountain Housing Opportunities, Inc., Real Estate Developer,
Justin@mtnhousing.org



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RE: NCORR Project-specific Environmental Closeout Items Letter
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333 Howell Mill Road
Waynesville, NC 28786

Dear Mr. Morehead:

The North Carolina Office of Recovery and Resiliency (NCORR), as a recipient of Community Development Block Grant – Disaster Recovery (CDBG-DR) funds from the United States Department of Housing and Urban Development (HUD), is serving as the responsible entity for compliance with the HUD environmental review procedures set forth in 24 CFR Part 58. NCORR has completed its environmental review of the above-referenced Affordable Housing Development Fund project, and HUD has issued the Authority to Use Grant Funds (AUGF) on March 26, 2025. The HUD environmental review requirements under 24 CFR Part 58 have been satisfied.

NCORR has issued a Notice to Proceed and Environmental Clearance Letter for this project. This environmental clearance is conditioned on and subject to adherence to the compliance requirements outlined in the NEPA environmental review record (ERR) and associated documents, *summarized below* for your convenience. The NEPA ERR is available at: [Balsam Edge - Part 58 ERR FINAL 3.26.25.pdf](#).

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Any change to the approved scope of work will require re-evaluation by the Certifying Officer for compliance with NEPA and other laws and Executive Orders. **Please send to NCORR copies of all permits obtained or reasons permits listed below were not required/obtained.** This review does not address all federal, state, and local requirements. Acceptance of federal funding requires the recipient to comply with all federal, state and local laws. Failure to obtain all appropriate federal, state, and local environmental permits and clearances may jeopardize federal funding. Guidelines, recommendations, and requirements identified during the State Environmental Clearinghouse inter-agency review shall be considered and required, where applicable.

Law, Authority, or Factor	Mitigation Measure
<p>Clean Air</p> <p>Clean Air Act, as amended, particularly section 176(c) & (d); 40 CFR Parts 6, 51, 93</p>	<p>Construction-related activities (land clearing, grading) can cause short-term exposures to sensitive receptors from particulate matter (PM 10) such as fugitive dust and emissions from construction equipment. The proposed project will conform to NC Air Quality Management regulations during and following construction. Mitigation measures for dust control will be implemented to reduce potential impacts to air quality during construction. The contractor will use BMPs to reduce fugitive dust generation and diesel emissions. BMPs can include wetting the grading site during dry conditions; maintaining vegetative cover as much as possible around cleared areas; a water truck to stabilize potential dust during high traffic times or high wind days on heavily-travelled access roads and storage areas; and operating construction vehicles and machinery at reduced speeds to reduce soil disturbance and fugitive dust potential. BMPs to mitigate the generation of emissions during construction include limiting the use of vehicles and other machinery to construction hours only and removal once construction is completed.</p>
<p>Contamination and Toxic Substances</p> <p>24 CFR Part 50.3(i) & 58.5(i)(2)</p> <p>Hazards and Nuisances including Site Safety and Noise</p>	<p>Prior to funding, NCHFA requested that a State-approved remediation plan be prepared for the removal of the UST and associated petroleum-impacted soil to the extent practicable. A Memorandum of Understanding (MOU) was entered into between NCHFA and Balsam Edge, LLC which addressed the UST removal and remediation (Attachment 7).</p> <p>The UST Closure and Initial Abatement Action Plan (Action Plan) dated March 5, 2024 was approved by NCDEQ on March 14, 2024 with a Low Risk classification and documents the scope of services for the heating oil UST removal, petroleum-impacted soil removal, and associated soil sampling at the Subject Property (Attachment 7). The heating oil UST and identified petroleum-impacted soil shall be removed and remediated to acceptable NCDEQ residential MSCC and NC2L GWQS standards and obtain a No Further Action or equivalent letter prior to development. All documentation of the remediation must</p>

be provided to NCORR and appended to the environmental review record (ERR).

If suspect ACM is found during demolition and redevelopment activities, it should be assumed to contain asbestos until laboratory analysis can confirm or deny their asbestos content. The NC DHHS and Asbestos Hazard Management Program handles asbestos control and NC asbestos abatement procedure. Asbestos inspection and the removal of regulated ACM must be done by NC-accredited asbestos professionals in accordance with all applicable federal, state and local laws, regulations and procedures. The activities must conform to Article 19, N.C. Gen. Stat. § 130A-444-451, the National Emission Standard for Hazardous Air Pollutants (NESHAP, 40 CFR Part 61, Subpart M) pertaining to demolition and renovation in 40 CFR 61.145, NESHAP pertaining to waste disposal in 40 CFR 61.150, Occupational Safety and Health Act of 1970, Pub. L. 91-596, 84 Stat. 1590, 29 U.S.C. § 651, et seq., as amended (OSHA), Asbestos Standard for Construction 29 CFR 1926.1101, OSHA 29 CFR 1910, NC OSHA 13 N.C.A.C. 7C .0101, Transportation under 49 CFR 173.1090, NC Hazardous Waste Rules, and NC Solid Waste Laws. An Asbestos Permit Application and Demolition Notification (DHHS 3768) must be submitted to the HHCU of the NC DHHS Division of Public Health, prior to demolition in compliance with 15 A NCAC 20.1110 (a)(1). If the ACM removal is greater than 3,000 square feet, 1,500 linear feet, or 656 cubic feet in a public area, then a design, project monitoring plan, and (transmission electron microscopy) TEM clearance might be required under 10A NCAC 41C .0607.

LBP inspection and abatement must be done by NC HHCU certified LBP firms and professionals. The activities must conform with all applicable federal, State and local laws, regulations and procedures regarding LBP including, but not limited to, HUD's LBP regulations in 24 CFR Part 35; OSHA (29 CFR 1926.62); EPA regulations (40 CFR Part 745); and LBP Hazard Management Program (Article 19, N.C. Gen. Stat. § 130A-453; 10A NCAC 41C .0800). A NC LBP Abatement Permit Application might be required. All LBP and ACM debris will be properly disposed of in an NC DEQ DWM approved landfill facility in accordance with applicable regulations. The Asbestos and Lead-based Paint Surveys/ Abatement/ Clearance Reports and applicable permits will be appended to this ERR.

While not considered a REC, if encountered during site development, USTs, septic systems, and water supply wells should be closed in accordance with applicable laws. If any additional USTs are discovered, then NC DEQ DWM's UST Section Asheville Regional Office (ARO) will be notified. If any abandoned wells are discovered, then NC DEQ will be

	<p>notified and abandoned in accordance with Title 15A. Subchapter 2C.0100. “Any open burning associated with the subject proposal must be in compliance with 15 A NCAC 2D.1900” (see Attachment 28). In the event that unexpected contaminated or potentially hazardous materials, soils or debris are encountered during demolition or construction, work in the area shall cease immediately, and the work area shall be secured. The NC DEQ ARO will be contacted and the contamination assessed with an environmental consultant. Soils with evidence of petroleum contamination (stained soil, odors, or free product) must be reported immediately to the local Fire Marshal to determine whether explosive or inhalation hazards exist and the ARO UST Section. Petroleum contaminated soils and other hazards must be handled in accordance with all applicable regulations. Appropriate measures will be taken to address the hazard(s) (i.e., contaminated soils, hazardous debris, USTs, lead-based paint, etc.), and, if removed, will be properly disposed of in the appropriate NC DEQ DWM approved facility in accordance with federal, state and local laws and regulations (e.g., RCRA Subtitles C and D, NESHAP 40 CFR 61.150, and NC Solid Laws NCGS 130A, and NC Hazardous Waste Rules 15A NCAC 13A).</p> <p>A Radon Mitigation System and vapor intrusion barrier will be installed that meets ANSI/AARST CC-2000 2018 Soil Gas Control Systems in New Construction of Buildings (Attachment 7). The mitigation plan must: identify the radon level; consider the risk to occupants’ health; describe the radon reduction system that will be installed; whenever possible, establish an ongoing maintenance plan to ensure the system is operating as intended; establish a reasonable timeframe for implementation; and require post-installation testing. Where feasible, post-installation testing should be conducted by a licensed radon professional. The HUD Radon Policy Notice does not preempt or override any existing federal, state, or local requirements regarding residential radon testing and mitigation that may be more strict or comprehensive than the policy notice.</p>
<p>Endangered Species</p> <p>Endangered Species Act of 1973, particularly section 7; 50 CFR Part 402</p> <p>Vegetation, Wildlife</p>	<p>The USFWS outlined impact avoidance and minimization measures to allow USFWS to concur with a determination of “may affect, not likely to adversely affect” for all the bat species referenced. ECS advised MHO that USFWS would consent to removal of the trees prior to March 15th and MHO will have onsite manmade structures surveyed for evidence of bats within two weeks prior to demolition activities. Evidence for bat use may include but is not limited to staining, guano, and observations of live or dead bats. In addition, USFWS stated to further reduce the probability</p>

	<p>for incidental take of these species, we encourage the Applicant to consider "bat-friendly" lighting design techniques that also meet safety requirements and proposed project objectives, and attached several general lighting recommendations. USFWS also offered to be available to assist with a site-specific lighting design at the request of project proponents.</p>
<p>Wetlands Protection Executive Order 11990, particularly sections 2 and 5</p> <p>Unique Natural Features, Water Resources</p>	<p>According to Equinox Environmental’s WOTUS Delineation Report dated July 2023, no other jurisdictional or non-jurisdictional wetlands or streams were identified within the Subject Property’s boundaries. One riparian wetland is located on the southwest central portion of the Subject Property. A perennial stream (0.007 acres, R4SBC) originates offsite from the northwest and traverses across the wetland towards Howell Mill Road and Richland Creek. A MOU was entered into between NCHFA and Balsam Edge, LLC which includes a restrictive covenant for the wetland on the Subject Property (Attachment 15). Per the MOU, the Developer agrees that no ground disturbance, unallowed activities under former 24 CFR 55.12(c)(7(i), or construction will occur in the wetland. The Conservation Declaration was recorded and serves to ensure the wetland and the majority of the perennial stream are maintained in their natural condition (Attachment 15). The site plans show an existing 30-foot wetland buffer and grading plans show the limits of disturbance east of the northern portion of the perennial stream (Attachment 1).</p> <p>Any impacts to jurisdictional streams or wetlands would require a CWA Section 404 permit from the USACE and corresponding Water Quality Certification from the NC DWR. Since there will be no construction or impacts in the wetland, a USACE CWA Section 404 permit and NC DWR CWA Section 401 Water Quality Certification are not required. Regardless of permitting requirements, all activities must be conducted in compliance with NC Surface Water Standards found in 15A NCAC 02B .0200, including adherence to turbidity standards. Appropriate best management practices should be employed when working around streams and wetlands to ensure compliance with the standards.</p> <p>The proposed development has been designed to incorporate stormwater control measures, a spillway with erosion control matting, retaining walls, maintenance of the onsite wetland, stream and required buffers, open space, and landscaping. BMPs for erosion and sedimentation control such as silt fencing will be utilized during construction to prevent sedimentation impacts and native plants used in site restoration. In addition, the NC DEQ commented through the State Environmental Clearinghouse that the Sedimentation</p>

Pollution Control Act of 1973 must be properly addressed for any land disturbing activity (**Attachment 28**). An Erosion and Sedimentation Control (E&SC) Plan is required if one or more acres are to be disturbed. The E&SC Plan must be filed with and approved by the applicable Regional Office (Land Quality Section) at least 30 days before beginning activity. Sedimentation and erosion control must be addressed in accordance with Haywood County's Local Government's approved program. Particular attention should be given to design and installation of appropriate perimeter sediment trapping devices as well as stable stormwater conveyances and outlets.

A NPDES Construction Stormwater permit (NCG010000) is usually required when design features meet minimum requirements. Compliance with the 15A NCAC 2H .0126 NPDES Stormwater Program will be required because the Subject Property is located within a Phase II MS4 area and construction activities will disturb more than one acre. In addition, compliance with the 15A NCAC 2H 1000 State Stormwater Permitting Programs that regulate site development and post-construction stormwater runoff control might be required (**Attachment 28**).

NC WRC biologists found no records of any listed or proposed species on or adjacent to the site; however, this does not preclude the presence of such a species on or adjacent to the site. The NC WRC recommends maintenance of a minimum 100-foot undisturbed, native, forested buffer along all perennial streams and a minimum 50-foot buffer along intermittent streams and wetlands to minimize impacts to aquatic and terrestrial wildlife resources, water quality, and aquatic habitat both within and downstream of the project area. The NC WRC recommends limiting impervious surface to less than 10% or use stormwater control measures to mimic the hydrograph consistent with an impervious coverage of less than 10%. Also, the NC WRC recommends using non-invasive native species, LID technology in landscaping, and limiting native vegetation clearing as much as possible. Open space areas including forested green space should be maintained with native vegetation. Sediment and erosion control measures should be installed prior to any land clearing or construction and routinely inspected and properly maintained. The proposed project activities will be completed in accordance with all applicable federal, State, and local laws, regulations, and permit requirements and conditions. Permits required for this proposed project shall be obtained before commencing work and appended to the ERR when received from the permitting agencies.

<p>Soil Suitability/ Slope/ Erosion/ Drainage/ Storm Water Runoff</p>	<p><i>Any fill material must come from an approved source, and applicable NC regulations on erosion control permit might apply. The soils will be confirmed to be “clean” fill and that it meets project requirements prior to importing the material. The proposed project will be designed in a way to balance the grading and not require as much off-site material, if possible. Any soil removed from the site will be quantified and only exported to an approved site per NC requirements.</i></p> <p>The proposed development has been designed to incorporate stormwater control measures, a spillway with erosion control matting, retaining walls, maintenance of the onsite wetland, stream and required buffers, open space, and landscaping. BMPs for erosion and sedimentation control such as silt fencing will be utilized during construction to prevent sedimentation impacts and native plants used in site restoration. In addition, the NC DEQ commented through the State Environmental Clearinghouse that the Sedimentation Pollution Control Act of 1973 must be properly addressed for any land disturbing activity. An E&SC Plan is required if one or more acres are to be disturbed. The E&SC Plan must be filed with and approved by the applicable Regional Office (Land Quality Section) at least 30 days before beginning activity. Sedimentation and erosion control must be addressed in accordance with Haywood County's Local Government's approved program. Particular attention should be given to design and installation of appropriate perimeter sediment trapping devices as well as stable stormwater conveyances and outlets.</p> <p>A NPDES Construction Stormwater permit (NCG010000) is usually required when design features meet minimum requirements. Compliance with the 15A NCAC 2H .0126 NPDES Stormwater Program will be required because the Subject Property is located within a Phase II MS4 area and construction activities will disturb more than one acre. In addition, compliance with the 15A NCAC 2H 1000 State Stormwater Permitting Programs that regulate site development and post-construction stormwater runoff control might be required. The proposed project activities will be completed in conformance with all applicable federal, State, and local laws, regulations, and permit requirements and conditions. All necessary permits will be identified and obtained prior to commencing work and appended to the ERR when received from the permitting agencies.</p>
<p>Solid Waste Disposal / Recycling</p>	<p>According to the NC DEQ DWM, Solid Waste Section (Section), “[a]ny structures proposed to be demolished and/or rehabilitated as part of this project should be evaluated for lead, asbestos or other contaminants which must be managed appropriately. Hazardous waste is discussed in further detail in</p>

	<p>the Contamination and Toxic Substances section and Attachment 7.</p> <p>During the construction phase of the proposed project, wastes generated are expected to consist of primarily packaging from construction materials and mixed municipal wastes generated daily by site workers. Construction debris will be taken to an appropriate, legally compliant landfill. The Section stated in its comments that “[d]uring the project, every feasible effort should be made to minimize the generation of waste, to recycle materials for which viable markets exist, and to use recycled products and materials in the development of this project where suitable. Any waste generated by this project that cannot be beneficially reused or recycled must be disposed of at a solid waste management facility approved to manage the respective waste type. The Section strongly recommends that any contractors are required to provide proof of proper disposal for all waste generated as part of the project. A list of permitted solid waste management facilities is available on the Solid Waste Section portal site at: http://deq.nc.gov/waste-management-laserfiche” (Attachment 28). According to the NC DEQ comments, “[a]ny open burning associated with proposed project must be in compliance with 15A NCAC 2D.1900” (Attachment 28).</p>
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List of Permits To Be Obtained (later identified permits will be added to the ERR):

All applicable federal, State and local permits will be identified and obtained prior to starting construction. Permits that might be required include, but are not limited, to:

- Waynesville Planning Board, Site Plan Approval, received March 15, 2021
- Building Permit
- Grading Permit
- NC DEQ - Land Disturbance Permit
- NC DEQ - NPDES Construction Stormwater Permit (NCG010000)
- NC DEQ - State Stormwater Permit (15A NCAC 02H .1000)
- NC DEQ - Erosion & Sedimentation Control Plan Approval
- Haywood County - Erosion & Sedimentation Control Plan Approval
- NC DWR/ Public Water Supply Section - Water Extension Permit
- NC DEQ - Sewer Extension Permit
- NC DOT Encroachment Permit
- NC DOT Driveway Permit

The Muscogee (Creek) Nation’s Historic and Cultural Preservation Department requests that “*work be stopped and our office contacted immediately if any Native American cultural materials are encountered. This stipulation should be placed on the construction plans to ensure contractors are aware of it.*” If construction should affect subsurface areas beyond the defined APE, further consultation will be necessary. Please immediately stop work and notify NCORR and the Catawba Indian Nation if *Native American artifacts and / or human remains* are located during the ground disturbance phase of this project.

The USFWS requires that if the project activities (tree cutting, land disturbance) are *not completed by November 1, 2025*, then the information required must be updated and resubmitted in the IPaC. The NC Natural Heritage Program requires that if the project activities (tree cutting, land disturbance) are *not completed by December 19, 2025*, then the information required must be updated and resubmitted in the Element Occurrences database query.

This letter may be relied upon by Balsam Edge, LLC and its developer, partners and affiliates on condition that the project information submitted for the environmental review record was complete and accurate.

If you have any questions or require additional information, please feel free to contact Andrea Gievers at (845) 682-1700 or via email at Andrea.L.Gievers@Rebuild.NC.gov. Thank you for your time and assistance.

Sincerely,



Andrea Gievers, JD, MSEL, ERM
NCORR Environmental Subject Matter Expert

CC: Tracey Colores, NCORR Community Development Director,
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