



Michelle Lujan Grisham  
Governor

Ali Rye  
State Director

Major General Miguel Aguilar  
Cabinet Secretary

Randy Varela  
State Fire Marshal

Regina Chacon  
Deputy Cabinet Secretary

## DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT

### Final Notice and Public Explanation of a Proposed Activity in a Floodplain or Wetland

Date: May 6, 2026

To: All interested Agencies, Groups and Individuals

This is to give notice that New Mexico Department of Homeland Security and Emergency Management (DHSEM), under 24 Code of Federal Regulations (CFR) Part 58, has conducted an evaluation of the potential effects of the proposed New Mexico Home Recovery Program (HRP) as required by Executive Order 11988 and Executive Order 11990 and in accordance with U.S. Department of Housing and Urban Development (HUD) regulations at 24 CFR § 55.20 in Subpart C Procedures for Making Determinations on Floodplain Management and Protection of Wetlands.

#### HRP Background

DHSEM received funding under the Community Development Block Grant for Disaster Recovery (CDBG-DR) in areas impacted by two federally declared disasters: DR-4795 (South Fork Fire, Salt Fire, and Flooding) and DR-4843 (New Mexico Severe Storm and Flooding). These disasters significantly compromised the structural integrity of homes, creating an urgent need for comprehensive rehabilitation and reconstruction. HUD designated two counties as “most impacted and distressed,” which are Lincoln County for DR-4795 and Chaves County for DR-4843.

The proposed HRP in Lincoln County will help disaster-impacted residents return home to safe, resilient, and sustainable living conditions, with mitigation strategies integrated to reduce future disaster risks. In Lincoln County, the South Fork and Salt Fires impacted approximately 1,400 structures, including an estimated 856 family homes. Subsequent monsoon flooding further devastated the area, with an additional 600 homes reportedly lost (see the [CDBG-DR Action Plan](#), Section 2.2.1). Additionally, many low-income neighborhoods located downstream of the burn scar require elevation above base flood elevation or relocation of units outside the floodplain to prevent future flood damage.

The most critical priority of the HRP is to serve disaster-impacted families by providing much-needed assistance to complete the necessary home rehabilitation, reconstruction, or new construction, so that families can return to their place of residence in their community. The HRP excludes ineligible uses like luxury development, assistance for second homes, improvements to unattached accessory structures, or routine maintenance. This approach ensures that funds support the most at-risk households and contribute to long-term, community-wide recovery.

Eligible activities that may be funded under the HRP are identified in the following three categories:

- **Housing Rehabilitation.** Essential repairs to restore disaster-damaged homes to safe, livable conditions, including structural, plumbing, electrical, roofing, and interior work. To receive housing rehabilitation assistance, the estimated total damage to the home must be less than 60% of the pre-disaster fair market value of the home.
- **Housing Reconstruction.** Full rebuilding of homes that are not suitable for rehabilitation (e.g., damage exceeds 60% of the pre-disaster fair market value of the home), compliant with modern building codes and incorporation of resilience measures. Reconstructed home configurations will be based on minimum unit size in relation to household size and composition.
- **New Housing Construction.** Construction of new homes may be provided for disaster-impacted households on properties they already own, provided the site is located outside of the floodplain. While undamaged property owned by the household may be used for new unit placement, the acquisition of new property is not eligible for funding under the HRP. Newly constructed home configurations will be based on minimum unit size in relation to household size and composition.

### **Environmental Review**

Specific locations of HRP activities within Lincoln County are not yet known. Pursuant to HUD's regulations at 24 CFR Part 58, DHSEM is conducting a tiered environmental review of the HRP and its funded activities. A Tier 1 Environmental Assessment is being conducted at the county level to evaluate and document the potential for broad, HRP-wide impacts, including applicable federal laws and authorities (e.g., floodplain management and wetlands protection). Site-specific locations will be identified once applications for the HRP are received, reviewed, and approved. DHSEM will conduct Tier 2 site-specific reviews for each individual project or property prior to approval and commencement of construction. These reviews will ensure that each activity complies with environmental requirements and that any site-specific mitigation measures are identified and implemented.

Based on review of Federal Emergency Management Agency (FEMA) National Flood Hazard Data, approximately 49,193 acres of the 100-year floodplain (i.e., Zones A or AE); approximately 262 acres of regulatory floodway (Zone AE); and approximately 101 acres of the 500-year floodplain (Zone X) are present in Lincoln County. Additional floodplains present in Lincoln County include areas of minimal flood hazard (Zone X unshaded) and areas that have unknown flood risks as no flood hazard analysis has been conducted (Zone D). Based on U.S. Fish and Wildlife Service's National Wetland Inventory data, approximately 31,818 acres of wetlands are present in Lincoln County, inclusive of freshwater emergent wetlands, freshwater forested/shrub wetlands, freshwater ponds, lakes, and riverine features. These floodplains and wetlands provide beneficial environmental functions (e.g., floodwater storage and conveyance, groundwater discharge or recharge, erosion control, water quality maintenance, and habitat for flora and fauna) and may hold additional intrinsic values that benefit residents of Lincoln County (e.g., cultural, recreational, ecological, educational, and scientific). The HRP will provide rehabilitation of existing homes, reconstruction substantially within the original footprint or new construction on land outside of the floodplain. For reconstructions within floodplains or wetlands, elevation mitigation will be implemented to alleviate the risk of flooding impacts to residents, or impacts from residents to protected floodplain and/or wetland resources. Therefore, while some eligible activities may occur near or within floodplains or wetlands, the HRP is not expected to adversely affect substantial areas of floodplains or wetlands. The acres of floodplain and/or wetlands impacted by eligible activities will be identified during the Tier 2 environmental reviews for site-specific locations and any applicable/identified mitigation measures will be incorporated into the site-specific projects.

### Alternatives and Mitigation

Two alternatives were analyzed: the Proposed Action (the HRP) and the No Action Alternative.

DHSEM did not identify any other practicable alternatives. In developing the scope of the HRP, DHSEM eliminated any alternatives that would be inconsistent with HUD National Objectives (24 CFR § 570.483) or the Housing and Community Development Act of 1974; would be inconsistent with cost reasonableness standards (2 CFR § 200.404), such as by spending more on rehabilitation than what it would cost to build a comparable new home; or would exclude hazard mitigation and thus fail to ensure that public investments in disaster recovery are safeguarded against future events.

#### A. Proposed Action

A description of the proposed HRP is presented above. The DR-4795 declared event caused widespread destruction of homes and severely impacted housing availability in affected communities. As documented in the CDBG-DR Action Plan, the State of New Mexico already faces a shortage of affordable housing, and Lincoln County is no exception. This scarcity was exacerbated by the devastation caused by the DR-4795 declared event. In Lincoln County, wildfire damage was compounded by post-fire flooding, leading to the destruction of more than 800 homes and leaving many other homes exposed to repeated flood events due to altered watershed behavior and unstable terrain. The HRP is needed because, even with funding from insurance providers, FEMA, non-profits and other sources, many Low- to Moderate-Income households, elderly persons, and disabled individuals continue to lack the financial support to repair or reconstruct their damaged primary residences to pre-disaster conditions.

The purpose of the HRP is to satisfy unmet housing needs and decrease vulnerability to future hazards. The HRP will restore safe, sanitary, and resilient housing and reduce long-term risk through rehabilitation, reconstruction, and (where necessary) new construction, while incorporating mitigation measures that reduce future flood risk and improve long-term housing stability. The HRP provides the mechanism to address the unmet disaster-related housing need and to support the return of affected residents to safe and sustainable living conditions.

#### B. No Action Alternative

The No Action Alternative will not provide a mechanism for residents affected by the DR-4795 disaster to address the unmet disaster-related housing need and to support their return to safe and sustainable living conditions. Rehabilitation, reconstruction, and (where necessary) new construction, and incorporation of mitigation measures that reduce future flood risk and improve long-term housing stability will not occur.

DHSEM determines that there is no practicable alternative for potential impacts to floodplains and wetlands. This is due to: 1) the need to assist disaster-impacted households struggling to recover from damage or destruction of residential structures, resulting in unmet housing needs and increased vulnerability to future hazards; 2) the need to ensure cost-effectiveness, feasibility, and sufficient award amounts to bring properties to a safe and resilient condition; and 3) the ability to mitigate and minimize impacts on safety, property, and floodplain and wetland values.

Mitigation measures will be dependent on the eligible activity location and feasibility. Mitigation measures may include (but are not limited to) elevating homes in floodplains pursuant to local floodplain regulations; installing sump pumps and interior drainage systems; sealing or waterproofing foundations and basement walls; regrading around the home to direct water away from the foundation; incorporating durable, flood-resistant building materials; and requiring and verifying flood insurance coverage. Construction of new homes will only occur on sites located outside of the floodplain. For all HRP activities involving earth disturbance, the contractor will implement best management practices to prevent erosion and sedimentation impacts to nearby natural features and to avoid or minimize direct impacts to wetlands. Where applicable, the contractor will obtain and comply with permit conditions (e.g., NPDES General Construction Permit). No HRP activities will occur within the FEMA regulatory floodway.

Environmental files documenting compliance with Executive Order 11988, Executive Order 11990, and 24 CFR 55, are available for public inspection, review and copying upon request at the times and location delineated below for receipt of comments.

### **Public Comments**

There are three primary purposes for this notice. First, people who may be affected by activities in floodplains and/or 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 floodplains and/or 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 floodplains and/or wetlands, it must inform those who may be put at greater or continued risk.

A full description of the HRP may be reviewed at <https://www.dhsem.nm.gov/cdbg-dr2025/> and in person from 9am to 4pm at the locations identified at <https://www.dhsem.nm.gov/new-mexico-opens-applications-for-disaster-recovery-grants/>.

Written comments must be received by DHSEM on or before May 14, 2026 through any of the following methods: 1) by email at [publiccomments@dhsem.nm.gov](mailto:publiccomments@dhsem.nm.gov); 2) through DHSEM's online comment portal at <https://www.dhsem.nm.gov/cdbg-dr2025/>; or 3) by postal mail at the following address:

New Mexico Department of Homeland Security and Emergency Management  
Attention: Public Comments.  
3005 S St Francis Dr, Ste. 1-D, #404  
Santa Fe, NM 87505  
Phone: 505-670-4662