

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Docket No. FR-6437-N-01

Notice of Intent to Prepare an Environmental Impact Statement for the Fulton Elliott-Chelsea Houses Redevelopment Project in Manhattan, New York

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD

ACTION: Notice of Intent (“NOI”) to Prepare an Environmental Impact Statement (“EIS”)

SUMMARY: New York City, through the New York City Department of Housing Preservation and Development (“HPD”), and the New York City Housing Authority (“NYCHA”), are providing Notice of Intent (“NOI”) to prepare an EIS for the proposed Fulton Elliott-Chelsea Houses Redevelopment Project in Manhattan, New York. As part of the NYCHA Permanent Affordability Commitment Together (“PACT”) Program, NYCHA intends to submit an application(s) to the United States Department of Housing and Urban Development (“HUD”) for: (1) disposition of public housing, and (2) conversion of Section 9 public housing subsidies to Section 8 Project Based Vouchers (“PBVs”) under the HUD Rental Assistance Demonstration (“RAD”) Program and Section 18 of the U.S. Housing Act of 1937 (“USHA”) as amended. This NOI initiates the public scoping for the EIS, and provides project information on the proposed action, the proposed action’s purpose and need, and the alternatives being considered for evaluation in the EIS. This NOI invites public comments on the environmental impacts that may be associated with the proposed action and alternatives.

DATES: Comments on the Draft Scope of Work (“DSOW”) will be accepted during the Public Scoping Meetings and, in writing, until Tuesday, February 20th, 2024. See “Instructions for submitting comments” below for further information.

ADDRESSES: Interested members of the public, tribes, and agencies are invited to submit comments to be considered on the proposed scope of the EIS, the proposed action’s purpose and need, the identification of alternatives to be considered, the environmental benefits and impacts to be evaluated, and any other project-related issues or analysis. Written comments may be submitted electronically via email to nepa_env@hpd.nyc.gov and, in hard copy via regular mail, to: Department of Housing Preservation and Development, Attn: Anthony Howard, 100 Gold Street, #7-A3, New York, NY 10038.

FOR FURTHER INFORMATION CONTACT: Anthony Howard, Director of Environmental Planning, Department of Housing Preservation and Development – Division of Building and Land Development Services, 100 Gold Street, #7-A3, New York, NY 10038; email: Nepa_env@hpd.nyc.gov.

SUPPLEMENTARY INFORMATION:

A. Background

New York City, through HPD, as Responsible Entity and joint lead agency in accordance with 24 CFR 58.2(a)(7), and NYCHA, serving as local project sponsor and joint lead agency in accordance with 40 CFR 1501.7(b), are providing this NOI to prepare an EIS for the proposed Fulton Elliott-Chelsea Houses Redevelopment Project in Manhattan, New York (the “proposed action” as further described below). The proposed action to be evaluated in the EIS includes the replacement of existing NYCHA buildings (including residential and community facility uses and the development of new residential buildings) across the Fulton, Elliott, Chelsea, and Chelsea Addition Houses campuses in Manhattan (the “Project Sites”). As part of the PACT Program, NYCHA intends to submit an application(s) to HUD for: (1) disposition of public housing property as authorized under Section 18 of the USHA as amended and implementing

regulations at 24 C.F.R. part 970 (“Section 18”), and (2) conversion of subsidies under Section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) to PBV subsidies under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) in accordance with the RAD Program, created by the Consolidated and Further Continuing Appropriations Act of 2012, as amended, and the RAD Notice REV 4 (PIH Notice 2019-23 as supplemented in RAD Supplemental Notice 2013-19 published July 27, 2023).

Under the PACT Program, NYCHA would enter into a long-term ground lease(s) involving the Project Sites with Elliott Fulton LLC, a joint venture between Essence Development and The Related Companies (and/or affiliates thereof) (collectively, the “PACT Partner”). Such planned activities and applications at HUD-assisted Project Sites require environmental clearance.

HPD and NYCHA will prepare the EIS in accordance with the National Environmental Policy Act of 1969 as amended, 42 U.S.C. 4321 *et seq.* (“NEPA”), the Council of Environmental Quality (“CEQ”) NEPA Regulations at 40 CFR parts 1500-1508, and HUD implementing regulations at 24 CFR part 58, and as appropriate, the New York State Environmental Quality Review Act (“SEQRA”) and New York City Environmental Quality Review (“CEQR”).

B. Project Sites

The Project Sites consist of four NYCHA developments: Chelsea, Chelsea Addition, Elliott, and Fulton Houses, which are located across two separate public housing campuses in the Chelsea neighborhood of Manhattan. Existing uses on the Project Sites include 2,056 NYCHA dwelling units (DUs), community center spaces, recreational space, and 95 accessory parking spaces. As they are separated by approximately a quarter mile, Fulton and Elliott-Chelsea are described separately. Fulton Houses (the “Fulton Houses Project Site”) is generally bounded by

West 20th Street to the north, 9th Avenue to the east, West 16th Street to the south, and 10th Avenue to the west. The Fulton Houses Project Site consists of eleven buildings, including three 25-story and eight seven-story buildings. These buildings were constructed in the early 1960s and contain 944 residential units which house approximately 2,100 residents. Hudson Guild, a multi-service non-profit community agency serving those who live, work, or go to school in Chelsea and the surrounding area, operates a community center and office space on the Fulton Houses Project Site.

There are a wide range of land uses surrounding the Fulton Houses Project Site, including residential, commercial, institutional, and open space. These uses are governed by different underlying zoning regulations, which are applied to certain geographic areas (known as Zoning districts). Zoning districts in the vicinity of the Fulton Houses Project Site include: a R7B residential district with a C2-5 commercial overlay along 10th Avenue to the north; a C2-6A commercial district (a R8A residential district equivalent), a R8 residential district with a C2-5 commercial overlay, and a R7B residential district to the east; a M1-5 manufacturing district to the south; and a C6-3 commercial district (a R9 residential district equivalent) and a R8A residential district with a C2-5 commercial overlay along 10th Avenue to the west. Some portions of the above are in the Special West Chelsea District, an area in which special zoning rules apply. These rules may modify or supersede the underlying zoning.

The Chelsea, Chelsea Addition, and Elliott Houses (collectively, the “Elliott-Chelsea Houses Project Site”) are generally bounded by West 27th Drive to the north, 9th Avenue to the east, West 25th Street to the south, and 10th Avenue to the west, with Chelsea Park adjacent to the north side of the Site. Elliott Houses was constructed in the 1940s. The campus includes four 11-12 story buildings. These buildings contain 591 residential units and house approximately

1,200 residents. There is also an early childhood center. Chelsea Houses was constructed in the early 1960s. The campus includes two 21-story buildings. These buildings contain 425 residential units and house approximately 1,000 residents. Chelsea Addition Houses was constructed in 1968. It is a single 14-story building. The building contains 96 residential units and houses approximately 110 residents. The building is designated for elderly families (42 U.S.C. 1437e). Hudson Guild also operates a community center, offices, and recreational space located within a building adjoining the Chelsea Addition building on the Elliott-Chelsea Houses Project Site.

There are a wide range of land uses surrounding the Elliott-Chelsea Houses Project Site, which include residential, institutional, commercial, open space, and transportation/utility; the latter use including the US Postal Service Manhattan Vehicle Maintenance Facility and the NYC Department of Sanitation Repair Shop, both located between 11th and 12th Avenues Zoning districts in the vicinity of the Elliott-Chelsea Houses Project Site include: a C6-4 commercial district (a R10 residential equivalent) to the north of Chelsea Park (which as mapped parkland does not have a zoning designation); a R8 residential district to the east; a C2-6 commercial district (a R8 residential equivalent) to the southeast; R7B and R8A residential districts to the south; a C6-3 commercial district (a R9 residential equivalent) and a M1-5 manufacturing district to the west (along with the Special West Chelsea District).

C. Purpose and Need

As stated above, the Elliott Houses were built in the 1940s and the Chelsea Houses and Fulton Houses were built in the early 1960s. Chelsea Addition was built in 1968. The buildings and units within these developments have seriously deteriorated and require substantial repair and rehabilitation. These issues include, but are not limited to, persistent mold and leaks, the

presence of lead-based paint, outdated mechanical and electrical systems, and outdated fixtures and appliances. These issues negatively impact the quality of life of residents.

The purpose of the proposed action is to improve the quality of life and housing stability for existing public housing residents of the Fulton and Elliott-Chelsea Houses. It would do so by constructing new PBV-assisted housing for all existing residents, while also preserving permanent affordability and residents' rights under the PACT Program. The purpose of the proposed action is also to facilitate the construction of additional affordable and market rate housing units to address the critical shortage of affordable housing and housing in general in New York City and financially support the PACT portion of the project. As described in section C, this would help to address the critical shortage of affordable housing in New York City through the construction of hundreds of new housing units, both affordable and market rate. The new affordable units would directly address the shortage by increasing New York City's affordable housing stock while the new market-rate units would indirectly address the shortage by increasing the overall supply of housing in New York City. The proposed action will also facilitate the development of additional community facility, retail and open space for the benefit of NYCHA residents and the surrounding community.

D. Proposed Action

The proposed action contemplates the following activities:

- a) The staged demolition and replacement of all existing dwelling units and community facility spaces at the Project Sites; and
- b) The staged development of new mixed-use buildings, including affordable and market rate residential units, new community facility spaces, and new retail (including supermarket) uses at the Project Sites.

The proposed action would facilitate the staged replacement of the following existing uses, including:

- a) 2,056 DUs at the Fulton and Elliott-Chelsea developments;
- b) Approximately 67,159 gross square feet (gsf) of existing community facility space currently operated by Hudson Guild; and
- c) 95 accessory parking spaces.

New development would follow the above-described actions. Two development alternatives for the proposed action have been identified and will be analyzed in the EIS, referred to as the Rezoning Alternative and the Non-Rezoning Alternative.

The Rezoning Alternative would require approvals from the New York City Planning Commission (CPC) through the Uniform Land Use Review Procedure (ULURP). This alternative would result in additional development, including:

- a) Up to an additional 3,454 new DUs, with a mix of up to 1,038 affordable DUs (i.e., up to 30 percent of the total) and up to 2,416 market rate DUs (i.e., up to 70 percent of the total). The affordable DUs would be developed in mixed-income buildings consistent with New York City's Mandatory Inclusionary Housing (MIH) requirements;
- b) Up to 46,364 gsf of local retail (including supermarket) space;
- c) Up to an additional 108,693 gsf of community facility space; and
- d) 1 additional parking space at the Fulton Houses Project Site.

The Non-Rezoning Alternative would not require the approval of the CPC. It would result in additional development, including:

- a) Up to an additional 1,783 new DUs, with a mix of up to 536 affordable DUs and 1,247 market-rate DUs in new mixed-income buildings. The affordable DUs will be developed

in mixed-income buildings and recorded in the NYCHA Regulatory Agreement and other transaction documents between NYCHA and the PACT Partner;

b) Up to 29,075 gsf of local retail (including supermarket) space;

c) Up to an additional 132,549 gsf of community facility space; and

d) 1 additional parking space at the Fulton Houses Project Site.

The proposed action would involve the staged demolition of all 18 existing buildings across the Project Sites and their staged replacement with new buildings. The staging of the proposed action will be designed to minimize disruption to the existing residents on site. The estimated completion date for the proposed action is 2040 (which is referred to as the “build year”). Under the Rezoning Alternative, there would be 15 new buildings ranging in height from 11 stories (approximately 140.33 feet) to 39 stories (approximately 416.0 feet) with a total of 96 accessory parking spaces on site. Under the Non-Rezoning Alternative, there would be 17 new buildings ranging in height from 11 stories (approximately 140.33 feet) to 39 stories (approximately 416.0 feet).

The EIS will analyze the net incremental changes to the Project Sites under both the Rezoning Alternative and Non-Rezoning Alternative. These alternatives will be compared to a No-Action Alternative, which assumes that the existing buildings would remain, no new development would occur on the Project Sites, and routine maintenance and repairs would continue. This analysis ensures that the potentially most severe environmental impacts resulting from the proposed action are considered in the environmental review.

In October 2023, the New York State Office of Parks, Recreation, and Historic Preservation, State Historic Preservation Office (“SHPO”) stated that review was required under Section 106 of the National Historic Preservation Act (NHPA) for Elliott-Chelsea Houses. This

site is eligible for listing on the State and National Register of Historic Places (S/NR). Section 106 requires a process of outreach and consultation with SHPO and interested parties, tribes, or agencies. Outreach will also be conducted to the general public.

In addition to outreach and consultation under Section 106, implementation of the proposed action will require federal, state and local approvals. These include HUD approvals for the disposition of public housing property as authorized under HUD Section 18 and NYCHA board approval of a long-term ground lease(s) with the PACT Partner.

The Rezoning Alternative would require approval from the CPC pursuant to the New York City Uniform Land Use Review Procedure (ULURP). The land use actions sought before the CPC would include: a zoning map amendment to establish zoning districts that would allow the proposed bulk and height; a zoning text amendment to designate the Projects Sites as Mandatory Inclusionary Housing Areas (MIHAs); and a large-scale general development (LSGD) special permit to facilitate the proposed site plan. The Non-Rezoning Alternative would not require approval from the CPC pursuant to ULURP.

Each alternative described above will be evaluated at an equal level of detail for each impact category. The analysis will be conducted consistent with the applicable screening thresholds, methodologies, and impact determination thresholds.

E. Proposed Action Alternatives

Consistent with the CEQ regulations implementing NEPA, the EIS will examine a range of reasonable alternatives (40 CFR 1502.14) to the Proposed Action that are potentially feasible. As required by NEPA, each of the alternatives will be evaluated at an equal level of detail. As a result of the project planning efforts to date, the alternatives currently proposed for evaluation in the EIS include:

- a) No-Action Alternative: As discussed above.
- b) Rezoning Alternative: As discussed above.
- c) Non-Rezoning Alternative: As discussed above.

F. Need for the EIS

The Proposed Action described above has the potential to significantly affect the quality of the human environment. The implementing regulations of the CEQ (40 CFR parts 1500-1508) and HUD's regulations (24 CFR part 58) require the preparation of an EIS in accordance with NEPA requirements. Responses to this notice will be used to: (1) determine significant environmental issues; (2) assist in developing a range of alternatives to be considered; (3) identify issues that the EIS should address; and (4) identify agencies and other parties that will participate in the EIS process and the basis for their involvement.

G. Probable Environmental Effects

Due to the increase in the number of residents and expansion of the built environment, the proposed action could have the potential for significant environmental impacts in the following areas, which will be addressed in the EIS: Land Use, Zoning, and Public Policy; Coastal Zone Management/Waterfront Revitalization Policies (WRP); Floodplain Management and Flood Insurance; Socioeconomic Conditions; Environmental Justice; Community Facilities and Services; Open Space; Shadows; Historic and Cultural Resources/Historic Preservation; Urban Design and Visual Resources; Natural Resources; Hazardous Materials; Water and Sewer Infrastructure; Solid Waste and Sanitation Services; Energy; Transportation; Air Quality; Greenhouse Gas Emissions and Climate Change; Noise; Public Health; Neighborhood Character; and Construction Impacts.

The NEPA Draft Scope of Work includes a preliminary list of anticipated permits and approvals from Federal, State, and local agencies. HPD and NYCHA will coordinate with appropriate agencies or entities for compliance with federal, local and state laws. The NEPA EIS will also assist relevant entities in any eventual CEQR and/or SEQRA findings.

HPD and NYCHA invite all interested parties to participate in the scoping meetings.

H. Scoping

The publication of this Notice serves to initiate the public scoping period. Following the scoping process and the finalization of the scoping framework, the preparation of the Draft Environmental Impact Statement (DEIS) will commence. The DEIS will include relevant information, assessments, and analyses of the Proposed Action's potential environmental effects. Once the DEIS is completed, it will be made available to the public through a Notice of Availability public posting in the Federal Register and posted on <https://www.nyc.gov/site/nycha/about/pact/Chelsea-Fulton.page>. It will be subject to a minimum 45-day public comment period from the date of publication, including a public hearing. Additionally, the availability of the DEIS and public comment opportunities will be announced through public notices, public mailings and the local news media. All interested federal, state, and local agencies, Indian Tribes and the public are invited to comment on the scoping documents and DEIS (when available), including comments on the identification of potential alternatives, information, and analyses relevant to the proposed action. Agencies with jurisdiction over natural or other public resources affected by the project or that possess information about the Project Sites that HPD should consider in the DEIS are invited to submit comments to the individuals named in this Notice.

No decisions about the project will be made at the Public Scoping Meeting.

After the public scoping period, HPD, NYCHA, and the PACT Partner will compile the comments that are received to develop a Final Scope of Work for the DEIS. A Notice of Availability of the DEIS is anticipated to be published in Federal Register in the Spring of 2024. After the DEIS public comment period, a Final Environmental Impact Statement (FEIS) will be prepared. At this time, it is anticipated that a Notice of Availability of the FEIS will be published in the Federal Register in the Summer/Fall 2024, after which a Record of Determination (ROD) and Statement of Findings will be issued.

I. Instructions for submitting comments

Instructions for participating in the scoping meetings are available at <https://www.nyc.gov/site/nycha/about/pact/Chelsea-Fulton.page>, along with the DSOW.

The registration instructions will be available on NYCHA's project website a minimum of two weeks prior to each public meeting. NYCHA and HPD will conduct two in-person scoping meetings. The first will begin at 6 p.m. Eastern Standard Time ("EST") on Thursday, February 1st, 2024 and will be held at the Hudson Guild Fulton Community Center on the Fulton Campus (119 9th Avenue, New York, NY 10011). The second will begin at 6:30 p.m. EST on Wednesday February 7th, 2024 and will be held at the Hudson Guild John Lovejoy Elliott Community Center on the Elliott-Chelsea Campus (428 West 26th Street, New York, NY 10001).

NYCHA and HPD will also hold an online scoping meeting beginning at 4 p.m. EST on Monday, February 5th, 2024 via Zoom (Zoom information will be shared on the project website at least 10 days prior to the meeting; accessible at <https://www.nyc.gov/site/nycha/about/pact/Chelsea-Fulton.page>). Each meeting will have simultaneous Spanish, Mandarin, Cantonese, Russian and American Sign Language interpretation. Individuals who require additional special assistance, such as interpretation,

captioning, or signing services to participate in the scoping meetings, should make the request by emailing nepa_env@hpd.nyc.gov.

The date of all public scoping meetings also will be announced at least 15 days in advance of the meetings through a notice to be published in local newspapers and online on the Proposed Action's website at on.nyc.gov/nycha-chelsea-fulton.