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Office of Development
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Services
100 Gold Street
New York, N.Y. 10038

March 4, 2013

Robert Kulikowski, Director
Mayor's Office of Environmental Coordination
100 Gold Street - 2nd Floor
New York, NY 10038

NOTICE OF LEAD AGENCY DETERMINATION AND REVIEW

Re: Micro Units Development EAS
CEQR No. 13HPD058M
Community District 6, Manhattan
Location: Block 933, Lot 10

Dear Mr. Kulikowski:

The above referenced proposal involves discretionary actions subject to review under City Environmental Quality Review (CEQR), Executive Order 91, and the State Environmental Quality Review Act (SEQRA), 6 NYCRR 617. In conformance with Executive Order 91, as modified by the CEQR rules, the Department of Housing Preservation & Development (HPD) proposes to assume lead agency status for the CEQR review.

The assumption of lead agency status is consistent with the underlying mandate of CEQR that the appropriate lead agency should be the agency "primarily responsible for carrying out, funding, or approving an action," as well as the criteria listed in Section 5-03(h) of CEQR.

The proposal involves an application by HPD, on behalf of the project sponsor, a partnership between Monadnock Development LLC and Actors Fund Housing Development Corporation, for several discretionary actions subject to City Planning Commission (CPC) approval, including the disposition of City-owned property, a zoning map amendment, and project approval and designation of the project site as an Urban Development Action Area Project (UDAAP). In addition to the CPC approvals, several Mayoral zoning overrides will be sought to facilitate the proposed project.

The project site is City-owned, vacant and measures approximately 4,725 square feet in area. The proposed actions listed above would facilitate the construction of an approximately 30,018 gross-square-foot (gsf), 9-story mixed-use development with 55 residential units and local retail and community facility space. Of the 55 dwelling units, 22 units would be affordable to middle income tenants and 33 units would be market rate. The project site is located at 335 East 27th Street (Lot 10, Block 933) in the Kips Bay neighborhood of Manhattan, Community District 6.

The rezoning area would include the project site (Lot 10), which would be conveyed to the sponsor and a portion of the adjacent Lot 25, which is owned by the New York City Housing Authority (NYCHA). Lot 25 is occupied by a single 26-story residential building and accessory open space. As

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described in the Environmental Assessment Statement (EAS), the proposed zoning change from R8 to R8/C2-5 would allow for commercial uses up to a maximum floor area ratio (FAR) of 2.0 in the rezoning area. Lot 25 is occupied by the existing NYCHA development, and NYCHA has indicated that it has no plans to develop the site; therefore, the only development anticipated as result of the proposed C2-5 commercial overlay and assessed in the EAS is the proposed project.

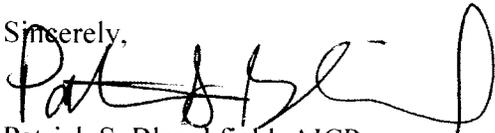
The proposed project is the winner of the adAPT NYC Competition. The development team was chosen through a competitive Request for Proposals to design, construct and operate the city's first "micro-unit" apartment building. The micro-units would measure between 250 and 370 square feet. The proposed project will be the first multifamily building in Manhattan developed using modular construction, with the modules prefabricated locally at the Brooklyn Navy Yard. The adAPT NYC Competition was created to introduce additional choices within New York City's housing market to accommodate the City's growing population of one- and two-person households.

Due to the unique nature of the proposal, the proposed project would also require Mayoral zoning overrides to modify the requirements of Zoning Resolution (ZR) Sections 23-22 (Maximum Number of Dwelling Units or Rooming Units), 28-21 (Size of Dwelling Units), and 23-633 (Street Wall Location, Height and Setback Regulations in Certain Districts).

According to the EAS, the proposed project is expected to be completed in 2015. Absent the proposed action, the existing conditions on the project site would remain.

Should you have any objections concerning HPD's assumption of lead agency status for the above-described proposal, please do not hesitate to contact me at 212-863-5056 or via email at blanchfp@hpd.nyc.gov within 30 days of the date of this letter. If no objections are received, HPD will proceed with the CEQR review.

Sincerely,



Patrick S. Blanchfield, AICP

Director of Environmental Planning

City of New York - Department of Housing Preservation & Development

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