



**U.S. Department of Housing and Urban Development**

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## **Environmental Assessment Determinations and Compliance Findings for HUD-assisted Projects 24 CFR Part 58**

### **Project Information**

**Project Name:** 2 Factory Street, Derby, Connecticut

**Responsible Entity:** City of Derby, Connecticut

**Grant Recipient** (if different than Responsible Entity):

**State/Local Identifier:**

**Preparer:** City of Derby, Connecticut and Arcadis U.S, Inc.

**Certifying Officer Name and Title:** Phillip McKeough, CPD Director

**Grant Recipient** (if different than Responsible Entity):

**Consultant** (if applicable): Arcadis U.S., Inc.

**Direct Comments to:** Linda Fusco, City of Derby, CT ([lfusco@derbyct.gov](mailto:lfusco@derbyct.gov))

**Project Location:** 2 Factory Street, Derby, Connecticut

### **Description of the Proposed Project [24 CFR 50.21 & 58.32]:**

The proposed project involves purchasing the scrap yard located at 2 Factory Street and relocating this metal scrap yard to a more appropriate site within one of Derby's designated industrial areas, thereby unlocking the current property for redevelopment into a mixed-use development featuring a four-story medical services facility with residential apartments on the upper floors. In addition, there will be the building roads to negotiate within the @14 acre site. This initiative aims to enhance land use efficiency, create housing opportunities, support job creation in the healthcare sector, and contribute to the City of Derby's broader economic revitalization goals.

### **Statement of Purpose and Need for the Proposal:**

Some 20 years ago, abandoned factories at 2 Factory Street site were demolished to deter vandalism and remove hazards. Site remediation was completed; however, successive administrations have failed to agree on a redevelopment plan for the site and 1.6 acre parcel was sold and occupied by a metal recycling center. The city now has a redevelopment plan for the

whole 14-acre site and has reached agreements with the owner and operator of the metal recycling center to relocate elsewhere in Derby. There is interest from Griffin Health, the City's largest employer, in constructing a medical complex on the 1.6 acre site after appropriate remediation has been completed.

**Existing Conditions and Trends [24 CFR 58.40(a)]:**

The City has committed to CT Municipal Development Authority (CMDA), established to address the 90,000-unit housing shortage in CT, to design and construct some 800 TOD housing units within ½ mile of Derby Railroad station. Some 200 new apartment units have been built in the past 12 months. The Derby Main Street redevelopment project is targeted to add a further 400 units and creating some 200 jobs from retail stores and a medical campus. Removal of the metal recycling center located at 2 Factory Street is key to attracting private and public investment.

The 2 Factory Street site is currently used as a metal scrap yard and recycling facility located near downtown Derby, Connecticut. This urban area was historically heavily industrialized, but current redevelopment has been in place to revitalize the downtown area with shops, offices and residential development. In the absence of this project, the scrap yard property along with heavy trucking will likely continue within the downtown area.

**Funding Information**

Grant Number	HUD Program	Funding Amount
B-24-CP-CT-0478		\$1,000,000,000

**Estimated Total HUD Funded Amount:**

**Estimated Total Project Cost (HUD and non-HUD funds) [24 CFR 58.32(d)]:**

**Compliance with 24 CFR 50.4, 58.5, and 58.6 Laws and Authorities**

Record below the compliance or conformance determinations for each statute, executive order, or regulation. Provide credible, traceable, and supportive source documentation for each authority. Where applicable, complete the necessary reviews or consultations and obtain or note applicable permits of approvals. Clearly note citations, dates/names/titles of contact, and page references. Attach additional documentation as appropriate.

<b>Compliance Factors:</b> Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
<b>STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR 50.4 and 58.6</b>		

<b>Airport Hazards</b>  24 CFR Part 51 Subpart D	Yes    No <input type="checkbox"/> <input checked="" type="checkbox"/>	No airports are located within the surrounding area.
<b>Coastal Barrier Resources</b>  Coastal Barrier Resources Act, as amended by the Coastal Barrier Improvement Act of 1990 [16 USC 3501]	Yes    No <input type="checkbox"/> <input checked="" type="checkbox"/>	Derby is not located within a coastal area as defined in the CT General Statutes 22a-94(a), so this does not apply to the site.
<b>Flood Insurance</b>  Flood Disaster Protection Act of 1973 and National Flood Insurance Reform Act of 1994 [42 USC 4001-4128 and 42 USC 5154a]	Yes    No <input type="checkbox"/> <input checked="" type="checkbox"/>	FEMA Flood Map (09009C0404J; effective 10/16/2013) depicts site in Zone X in area with reduced flood risk due to levee.
<b>STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR 50.4 &amp; 58.5</b>		
<b>Clean Air</b>  Clean Air Act, as amended, particularly section 176(c) & (d); 40 CFR Parts 6, 51, 93	Yes    No <input type="checkbox"/> <input checked="" type="checkbox"/>	The current site and proposed redevelopment of the site does not/will not generate air emissions required to be permitted by the Act
<b>Coastal Zone Management</b>  Coastal Zone Management Act, sections 307(c) & (d)	Yes    No <input type="checkbox"/> <input checked="" type="checkbox"/>	Derby is not located within a coastal area as defined in the CT General Statutes 22a-94(a).
<b>Contamination and Toxic Substances</b>  24 CFR Part 50.3(i) & 58.5(i)(2)	Yes    No <input checked="" type="checkbox"/> <input type="checkbox"/>	Assessment activities identified impacts of petroleum, PCBs, and metals that require soil remediation at the site.
<b>Endangered Species</b>  Endangered Species Act of 1973, particularly section 7; 50 CFR Part 402	Yes    No <input type="checkbox"/> <input checked="" type="checkbox"/>	CT DEEP Natural Diversity Database Review conducted for site indicates no conflicts (DEEP Determination Number 202503835, dated 05/02/2025)
<b>Explosive and Flammable Hazards</b>  24 CFR Part 51 Subpart C	Yes    No <input type="checkbox"/> <input checked="" type="checkbox"/>	No explosive or flammable hazards currently identified or are proposed to be used after redevelopment.
<b>Farmlands Protection</b>  Farmland Protection Policy Act of 1981, particularly sections 1504(b) and 1541; 7 CFR Part 658	Yes    No <input type="checkbox"/> <input checked="" type="checkbox"/>	Site and surrounding property are located within a developed commercial/industrial area of Derby, CT and does not contain farmlands.
<b>Floodplain Management</b>	Yes    No	Not applicable. FEMA Flood Map (09009C0404J; effective 10/16/2013) depicts

Executive Order 11988, particularly section 2(a); 24 CFR Part 55	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	site in Zone X in area with reduced flood risk due to levee.
<b>Historic Preservation</b>  National Historic Preservation Act of 1966, particularly sections 106 and 110; 36 CFR Part 800	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site and existing building do not qualify as historic property/structure.
<b>Noise Abatement and Control</b>  Noise Control Act of 1972, as amended by the Quiet Communities Act of 1978; 24 CFR Part 51 Subpart B	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site is currently a metal scrap yard with equipment and trucks working on the property daily. Hazards, site safety, and noise will be greatly improved with the proposed redevelopment of the site.
<b>Sole Source Aquifers</b>  Safe Drinking Water Act of 1974, as amended, particularly section 1424(e); 40 CFR Part 149	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site and surrounding area are connected to a public water supply and the site is not located within a designated aquifer protection area (APA) (CT DEEP APA Map, dated 12/23/2021).
<b>Wetlands Protection</b>  Executive Order 11990, particularly sections 2 and 5	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	No wetlands are located on the site or immediately surrounding the site.
<b>Wild and Scenic Rivers</b>  Wild and Scenic Rivers Act of 1968, particularly section 7(b) and (c)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	The Naugatuck River or the section of the Housatonic River that flows through Derby are not designated as Wild and Scenic Rivers. ( <a href="https://www.rivers.gov/connecticut">https://www.rivers.gov/connecticut</a> )

**Environmental Assessment Factors** [24 CFR 58.40] Recorded below is the qualitative and quantitative significance of the effects of the proposal on the character, features and resources of the project area. Each factor has been evaluated and documented, as appropriate and in proportion to its relevance to the proposed action. Verifiable source documentation has been provided and described in support of each determination, as appropriate. Credible, traceable and supportive source documentation for each authority has been provided. Where applicable, the necessary reviews or consultations have been completed, and applicable permits of approvals have been obtained or noted. Citations, dates/names/titles of contacts, and page references are clear. Additional documentation is attached, as appropriate. **All conditions, attenuation or mitigation measures have been clearly identified.**

**Impact Codes:** Use an impact code from the following list to make the determination of impact for each factor.

- (1) Minor beneficial impact
- (2) No impact anticipated
- (3) Minor Adverse Impact – May require mitigation
- (4) Significant or potentially significant impact requiring avoidance or modification which may require an Environmental Impact Statement

Environmental Assessment Factor	Impact Code	Impact Evaluation
<b>LAND DEVELOPMENT</b>		
Conformance with Plans / Compatible Land Use and Zoning / Scale and Urban Design	1 (preliminary plan indicates repurposing space into 2 floors of professional medical office space and two floors of apartments )	Parcel is around 1.6 acres of which 50% will be allocated for hard surface parking for clients and employees of medical center and for residents of the apartments.  The medical office campus will occupy the balance of the parcel that will provide around 35,000 Sf of professional office space
Soil Suitability/ Slope/ Erosion/ Drainage/ Storm Water Runoff	4 (soil suitability), 2 (slope, erosion, drainage/stormwater runoff)	Select soils on the site will require remediation of polluted fill/soil containing petroleum hydrocarbons, PCBs, and metals in accordance with the CT Remediation Standard Regulations (RSRs; 22a-133k). Proposed site remediation will be detailed in a Remedial Action Plan prepared in accordance with the RSRs. The property is flat, so slope and erosion is not an issue. Drainage/stormwater runoff will be included in redevelopment design/engineering.
Hazards and Nuisances including Site Safety and Noise	1	Site is currently a metal scrap yard with equipment and trucks working on the property daily. Hazards, site safety, and noise will be greatly improved with the new proposed redevelopment of the site.

Environmental Assessment Factor	Impact Code	Impact Evaluation
<b>SOCIOECONOMIC</b>		
Employment and Income Patterns	1	Proposed redevelopment and future use of the site will provide more employment opportunities than currently exists.
Demographic Character Changes, Displacement	1	Anticipate the addition of around 50 specialist physicians, 50 support health care staff and 10 administrations. Addition of high value medical equipment (MRI, etc)

Environmental Assessment Factor	Impact Code	Impact Evaluation
<b>COMMUNITY FACILITIES AND SERVICES</b>		
Educational and Cultural Facilities	1	Health care condition assessment and education for community residents Best practice training for health care support staff.
Commercial Facilities	1	Not known at this time but limited to pharmacy products.
Health Care and Social Services	1	Proposed redevelopment may include medical offices for Griffin Hospital.
Solid Waste Disposal / Recycling	2	Solid waste disposal and recycling services will be incorporated into the proposed site use and are available within this area.
Waste Water / Sanitary Sewers	2	Site and surrounding area is serviced by municipal POTW for domestic waste and wastewater.
Water Supply	2	Site and surrounding area is serviced by a public water supply system.
Public Safety - Police, Fire and Emergency Medical	2	No impact or use of additional public safety services is anticipated for the site.
Parks, Open Space and Recreation	1	Proposed redevelopment will provide access to the existing Derby trail and adjoining open space.
Transportation and Accessibility	2	Site will remain very accessible to public transportation being located close to the downtown area.

Environmental Assessment Factor	Impact Code	Impact Evaluation
<b>NATURAL FEATURES</b>		
Unique Natural Features, Water Resources	1	The property is located near the Derby Greenway and near the confluence of the Housatonic and Naugatuck Rivers.
Vegetation, Wildlife	1	There is currently no vegetation located on the site since the entire site is occupied by a metal scrap yard. Development plans include grass areas and tree plantings.
Other Factors		

Environmental Assessment Factor	Impact Code	Impact Evaluation
<b>ENERGY</b>		
Energy Efficiency	<b>1</b>	Development specs (RFP) call for sustainability compliance including building energy efficiency and roof top solar installation.

**Additional Studies Performed:**

**Field Inspection** (Date and completed by):

**List of Sources, Agencies and Persons Consulted:**

**List of Permits Obtained:**

**Public Outreach** [24 CFR 50.23 & 58.43]:

**Cumulative Impact Analysis** [24 CFR 58.32]:

**Alternatives** [24 CFR 58.40(e)]

Acquisition by eminent domain was considered by a former administration but costs and restricted subsequent site use for public purposes only (such as parking) was dismissed in favor of an offer to purchase and appropriate remediation . This direction provides flexibility in repurposing the site for private and/or non-profit enterprises.

**No Action Alternative** [24 CFR 58.40(e)]:

The city, with State (DECD) support, does not foresee a NO Action Alternative

**Summary of Findings and Conclusions:**

## **Mitigation Measures and Conditions**

Summarize below all mitigation measures adopted by the Responsible Entity to reduce, avoid, or eliminate adverse environmental impacts and to avoid non-compliance or non-conformance with the above-listed authorities and factors. These measures/conditions must be incorporated into project contracts, development agreements, and other relevant documents. The staff responsible for implementing and monitoring mitigation measures should be clearly identified in the mitigation plan.

Law, Authority, or Factor	Mitigation Measure

### **Determination:**

☐ **Finding No Significant Impact** [24 CFR 58.40(g)(1)]

The project will not have a significant impact on the quality of the human environment.

☐ **Finding of Significant Impact** [24 CFR 58.40(g)(2)]

The project may significantly affect the quality of the human environment.

Preparer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name/Title/Organization: \_\_\_\_\_

\_\_\_\_\_

Certifying Officer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name/Title: \_\_\_\_\_

This original, signed document and related supporting material must be retained on file by the Responsible Entity in an Environmental Review Record (ERR) for the activity/project (ref: 24 CFR Part 58.38) and in accordance with recordkeeping requirements for the HUD program(s).