Chapter 3: Socioeconomic Conditions

A. INTRODUCTION

This chapter assesses whether the Proposed Action would result in significant adverse impacts to the socioeconomic character of the area within and surrounding the Rezoning Area. As described in the 2012 *City Environmental Quality Review (CEQR) Technical Manual*, the socioeconomic character of an area includes its population, housing, and economic activities. Socioeconomic changes may occur when a project directly or indirectly changes any of these elements.

As detailed in Chapter 1, "Project Description," the Proposed Action would permit a range of different types of development within the Rezoning Area, and therefore, the With-Action condition has two reasonable worst-case development scenarios (RWCDS)—RWCDS 1 and RWCDS 2, which have been developed to represent potential development that could result from the Proposed Action. Under both scenarios, the Proposed Action would result in the displacement of some existing uses, would introduce a substantial amount of new housing (as well as dormitories under RWCDS 2) to the study area as well as commercial and community facility uses, and would introduce controls on hotel development. Therefore, an assessment of the Proposed Action's potential direct and indirect socioeconomic effects is warranted.

In accordance with *CEQR Technical Manual* guidelines, this socioeconomic analysis considers five specific elements that can result in significant adverse socioeconomic impacts: (1) direct displacement of residential population on a project site; (2) indirect displacement of residential population in a study area; (3) direct displacement of existing businesses on a project site; (4) indirect displacement of businesses in a study area; and (5) adverse effects on specific industries. The analyses of direct residential and business displacement use a ¼-mile study area. The analyses of indirect residential and business displacement use a ½-mile study area. The study area boundaries were modified to include all census tracts for which at least 50 percent of the tract's residential units were within the ¼-mile and ½-mile perimeters, respectively.

PRINCIPAL CONCLUSIONS

This analysis finds that the Proposed Action would not result in any significant adverse impacts to any of the five socioeconomic areas of concern prescribed in the *CEQR Technical Manual* (numbered above). The following summarizes the conclusions drawn from the analysis.

DIRECT RESIDENTIAL DISPLACEMENT

The initial screening assessment finds that the Proposed Action would not exceed the CEQR threshold warranting a detailed analysis of direct residential displacement. Therefore, a detailed analysis was not conducted and the screening assessment is sufficient to conclude that the Proposed Action would not result in any significant adverse impacts due to direct residential displacement. The Proposed Action would result in the direct displacement of four residential

units within two buildings on Projected Development Site 10 (282 Hudson Street, Block 579 Lot 1; and 284 Hudson Street, Block 579 Lot 2). Assuming an average household size of 1.84 persons (the average household size in Manhattan Community District 2), the Proposed Action would directly displace approximately 8 residents, which is well below the 500-resident threshold warranting an assessment under the *CEQR Technical Manual*. The direct residential displacement resulting from the Proposed Action would not be large enough to substantially alter the socioeconomic character of the neighborhood, and therefore the screening assessment is sufficient to conclude that there would be no significant adverse impacts due to direct residential displacement.

INDIRECT RESIDENTIAL DISPLACEMENT

The detailed analysis finds that the Proposed Action would not result in significant adverse impacts due to indirect residential displacement. According to the *CEQR Technical Manual*, indirect displacement of a residential population most often occurs when an action increases property values, and thus rents, throughout a study area, making it difficult for some existing residents to continue to afford to live in the area.

The Proposed Action would introduce a total of between 2,977 (under RWCDS 2) and 3,323 (under RWCDS 1) new residential units to the study area, of which between 598 and 679 would be affordable units under the Inclusionary Housing Program, respectively, and between 2,379 (RWCDS 2) and 2,644 (RWCDS 1) would be new market-rate residential units. Residential rental rates and sales prices in the study area increased substantially from 2000 to 2010, indicating an existing trend of increasing property values in the study area. The rental rates and sales prices of new market-rate units in the Rezoning Area are expected to be comparable to other new developments expected to be completed by 2022 in the study area. However, it is possible that the estimated 4,865 residents who would be living in new market-rate residential units introduced under RWCDS 1 (which would introduce the higher number of market-rate residential units) would have incomes higher than the median in the study area. In addition, the Proposed Action would add a total of up to 6,249 residents to the study area (including residents in the market-rate and affordable housing units as well as students living in dormitory units introduced under RWCDS 2), meeting the CEQR threshold for a substantial new population. For these reasons, a detailed analysis was conducted to determine whether the Proposed Action would introduce or accelerate a trend of changing socioeconomic conditions that may potential displace a population of renters vulnerable to rent increases.

The detailed analysis finds that there is no substantial residential population in the study area that would be at risk of indirect residential displacement if rents were to increase as a result of the Proposed Action. According to the methodology described in the *CEQR Technical Manual*, while 2000 Census data indicate a relatively lower-income population living in smaller buildings in the study area, it is likely that most unregulated units in the study area were occupied at that time by higher-income households or have since turned over to higher-income households. While the number of market-rate units introduced by the Proposed Action would be substantial, and could introduce a population with incomes higher than the average for the ½-mile study area, the Proposed Action would not initiate a trend toward increased rents in the study area, nor does the data indicate the presence of a substantial population at risk of indirect residential displacement if rents were to increase. Therefore, the Proposed Action would not result in a significant adverse impact due to indirect residential displacement.

DIRECT BUSINESS DISPLACEMENT

The preliminary assessment finds that the Proposed Action would not result in significant adverse impacts due to direct business displacement. Some of the businesses and employment located on projected development sites within the Rezoning Area would be displaced by future development in the No-Action condition. Not including displacement that would occur as a result of development in the No-Action condition, there are approximately 88 existing businesses that could be displaced by the Proposed Action. These businesses provide jobs for an estimated 629 people, making up approximately 0.6 percent of the total study area employment. By industry sector, Professional Service businesses represent the largest share of potentially displaced businesses (40 businesses, or 45.5 percent of the total businesses displaced), followed by Arts, Entertainment and Recreation businesses (accounting for 27 businesses or 30.7 percent of total businesses). Retail Trade (4 businesses), Information (5 businesses), Accommodation and Food Services (6), and Other Services account combined for approximately 22 percent of businesses.

The assessment finds that while these businesses are valuable individually and collectively to the city's economy, according to *CEQR Technical Manual* criteria, the displaced businesses do not provide products or services that would no longer be available to local residents or businesses, nor are they the subject of regulations or publicly adopted plans aimed at preserving, enhancing, or otherwise protecting them in their current location. The businesses are not unique to the ¼-mile study area, nor do they serve a user base that is dependent upon their location within the study area. It is expected that the potentially displaced businesses would be able to find comparable space within the study area or elsewhere within the city.

INDIRECT BUSINESS DISPLACEMENT

The preliminary assessment finds that the Proposed Action would not result in significant adverse impacts due to indirect business displacement. The ½-mile study area already has well-established commercial and residential markets, and therefore the Proposed Action would not be introducing new economic activities to the projected development sites or to the study area that would alter existing economic patterns. Commercial uses are common in the ½-mile study area, including more locally on Hudson and Varick Street, a north-south commercial corridor with a variety of commercial uses such as furniture stores, community retail stores, and restaurants and cafes. Based on the New York City Department of Finance Real Property Assessment Database (RPAD) estimates, in 2010 the ½-mile study area contained approximately 7.7 million gsf of retail space and approximately 31.0 million sf of office space. The retail and office uses introduced by the Proposed Action would not be of an amount that would alter or accelerate commercial market trends within the study area.

The Proposed Action would introduce new residential uses and possibly dormitory uses to the ½-mile study area. The ½-mile study area contains an estimated 34,852 residential units housing an estimated 57,885 residents. RWCDS 1 would result in an additional 6,113 residents in the study area, and increase the residential population by 9.78 percent, compared with the No-Action condition. RWCDS 2 would result in an additional 6,249 residents and students in the study area, and increase the residential population by 10.0 percent, compared with the No-Action condition. While this can be considered a substantial increase in residential uses within the study area, there is a strong existing trend toward residential development in the study area, and the residential units that would be introduced by the Proposed Action would represent a continuation of that existing trend.

The Proposed Action would directly displace 88 existing businesses, which consist mainly of professional services and arts and entertainment businesses, all of which are abundant within the study area, Manhattan and New York City. None of the potentially displaced businesses provide substantial direct support to other businesses in the study area, nor do they bring substantial numbers of people to the area that form a customer base for local businesses such that indirect business displacement would result. The goods and services offered by potentially displaced uses can be found elsewhere within the study area, and the proposed project would introduce similar uses. Therefore, according to *CEQR Technical Manual* criteria, the displacement of these businesses would not have adverse indirect effects on the remaining businesses or consumers in the study area.

Although the employees of the directly displaced businesses form a portion of the customer base of neighborhood service establishments (e.g., food and drink establishments, retail), the Proposed Action would introduce up to 6,249 new residents (under RWCDS 2), and would increase the overall employment in the Rezoning Area by approximately 438 workers (under RWCDS 2) compared with the No-Action condition. The influx of residents and employees to the study area would add to the customer base of existing study area businesses compared to the No-Action condition.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

The preliminary assessment finds that the Proposed Action would not result in significant adverse impacts on specific industries. The assessment of adverse effects on specific industries focuses on the creative arts industry (film, printing, and art-related businesses), given the amounts of displacement projected for those sectors relative to others, as well as the hospitality and tourism industry, given the controls on hotel development that would be instituted in the proposed zoning text associated with the Proposed Action. With respect to the creative arts industry, the analysis finds that the potentially displaced businesses constitute only a small fraction of businesses in the creative arts industry sectors. With respect to the hospitality and tourism industry, the analysis finds that the proposed controls on hotel development would not affect the primary factors driving tourism in the city, nor would they adversely affect the hospitality industry because hotels do not have unique locational needs that require them to locate within the Rezoning Area. In addition, the analysis finds that the proposed controls on hotel development[1] may result only in limited potential for additional hotel development in adjacent neighborhoods, and thus would not result in extensive hotel development pressure outside the Rezoning Area. Overall, the analysis finds that the Proposed Action would not result in any significant adverse impacts due to adverse effects on either the creative arts industry or the hospitality and tourism industry.

B. METHODOLOGY

ANALYSIS APPROACH

As the socioeconomic conditions analysis is a density-based technical analysis, only the anticipated development on the projected development sites (including projected new

[1] As described in Chapter 1, "Project Description," the Proposed Action would require a special permit for hotels with more than 100 sleeping units (whether created through new construction or change of use in existing "qualifying buildings").

construction, enlargements, and residential conversion) form the basis for this impact assessment. As discussed in Chapter 1, "Project Description," the potential development sites are considered less likely to be developed within the 10-year analysis period and therefore are not included in this assessment.

For the two RWCDS scenarios, RWCDS 1 assumes that the maximum permitted residential development would occur on each of the development sites, and RWCDS 2 assumes that community facility uses with sleeping accommodations (dormitories), rather than residential buildings, would be developed on two of the projected development sites. This analysis considers the potential impacts of both scenarios, as RWCDS 1 would result in the maximum number of market-rate residential dwelling units and RWCDS 2 would result in the maximum residential population (including students in dormitory units).

BACKGROUND

Under CEQR, the socioeconomic character of an area includes its population, housing, and economic activity. Although socioeconomic changes may not result in impacts under CEQR, they are disclosed if they would affect land-use patterns, low-income populations, the availability of goods and services, or economic investment in a way that changes the socioeconomic character of the area. In some cases, these changes may be substantial but not adverse. In other cases, these changes may be good for some groups but bad for others. The objective of the CEQR analysis is to disclose whether any changes created by the project would have a significant impact compared with what would happen in the No-Action condition.

An assessment of socioeconomic impacts distinguishes between impacts on the residents and businesses in an area and separates these impacts into direct and indirect displacement for both of those segments. Direct displacement occurs when residents or businesses are involuntarily displaced from the actual site of the proposed project or sites directly affected by it. For example, direct displacement would occur if a currently occupied site was redeveloped for new uses or structures or if a proposed easement or right-of-way encroached on a portion of a parcel and rendered it unfit for its current use. In these cases, the occupants of a particular structure to be displaced can usually be identified, and therefore the disclosure of direct displacement focuses on specific businesses and a known number of residents and workers.

According to the *CEQR Technical Manual*, indirect or secondary displacement occurs when residents, business, or employees are involuntarily displaced due to a change in socioeconomic conditions in the area caused by the proposed project. Examples include the displacement of lower-income residents who are forced to move due to rising rents caused by higher-income housing introduced by a proposed project or a similar process resulting in higher-paying commercial tenants replacing industrial uses as the result of the introduction of a new use by a proposed project. Unlike direct displacement, the exact occupants to be displaced are not known. Therefore, an assessment of indirect displacement usually identifies the size and type of groups of residents, businesses, or employees potentially affected.

Some projects may not directly or indirectly displace businesses but may affect the operation of a major industry or commercial operation in the city. In these cases, the CEQR review process may involve an assessment of the economic impacts of the project on that specific industry.

DETERMINING WHETHER A SOCIOECONOMIC ASSESSMENT IS APPROPRIATE

Under the *CEQR Technical Manual*, a socioeconomic assessment should be conducted if a project may be reasonably expected to create substantial socioeconomic changes in the area affected by the project that would not be expected to occur in the absence of the project. The following circumstances would typically require a socioeconomic assessment:

- The project would directly displace 500 or more residents or 100 or more employees.
- The project would directly displace a business whose products or services are dependent on its location, is the subject of policies or plans aimed at its preservation, or serves a population dependent on its services in its present location.
- The project would result in new development of 200 residential units or more or 200,000 square feet (sf) or more of commercial use that is markedly different from existing uses, development, and activities in the neighborhood. This type of development may lead to indirect displacement.
- The project would result in a total of 200,000 sf or more of retail on a single development site or 200,000 sf or more of region-serving retail across multiple sites. This type of development may have the potential to draw a substantial amount of sales from existing businesses within the study area, resulting in indirect business displacement due to market saturation.
- The project is expected to affect conditions within a specific industry, which could affect socioeconomic conditions if a substantial number of workers or residents depend on the goods or services provided by the affected businesses, or if it would result in the loss or substantial diminishment of a particularly important product or service within the city.

If a project would exceed any of these initial thresholds, an assessment of socioeconomic conditions is generally warranted.

The direct residential displacement resulting from the Proposed Action would be well below the 500-resident threshold warranting assessment. However, because the Proposed Action could result in the direct displacement of more than 100 employees, assessments are warranted for direct business displacement and potential adverse effects on specific industries. In addition, because the Proposed Action include up to 3,323 residential units (under RWCDS 1), an analysis of the potential for indirect displacement is warranted.

ANALYSIS FORMAT

Following *CEQR Technical Manual* guidelines, the socioeconomic analysis begins with a screening assessment that determines the need for a preliminary assessment. As described above, for one of the five areas of concern—direct residential displacement—the effects of the proposed project were not significant enough to warrant a preliminary assessment. However, as required by CEQR, the direct residential displacement that would result from the Proposed Action is disclosed. For the remaining four areas of concern—indirect residential displacement, direct business displacement, indirect business displacement, and adverse effects on specific industries—preliminary assessments were conducted.

The preliminary assessments are conducted to learn enough about the potential effects of the proposed project to either rule out the possibility of significant adverse impacts or determine that a more detailed analysis is required to fully determine the extent of the impacts. A detailed analysis is designed to examine existing conditions and then evaluate the changes to those

conditions in the With-Action condition as compared with the changes that would be expected in the No-Action condition. As detailed in Chapter 2, "Land Use, Zoning, and Public Policy," the No-Action condition is defined by development projects expected to occur by the build date of the proposed project. These projects are described in terms of the possible changes to socioeconomic conditions that they would cause, including potential population increases, changes in income characteristics of the affected area, changes to the rents or sale prices of residential units, new commercial or industrial uses, or changes to employment or retail sales.

For direct business displacement, indirect business displacement, and adverse effects on specific industries, a preliminary assessment was sufficient to conclude that the Proposed Action would not result in any significant adverse socioeconomic impacts. For indirect residential displacement, a detailed analysis was required in order to rule out the potential for significant adverse impacts.

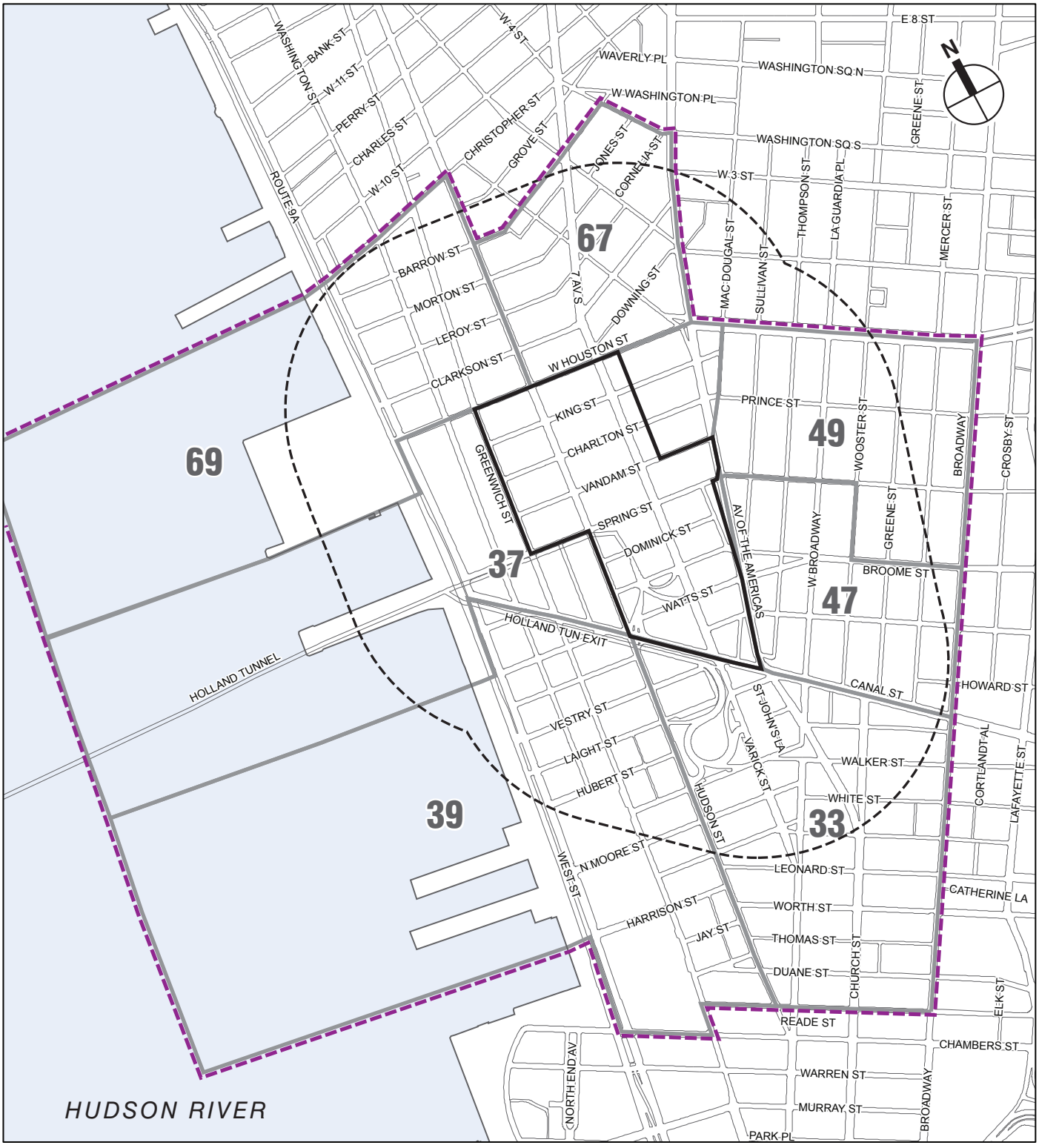
STUDY AREA DEFINITION

According to the *CEQR Technical Manual*, the appropriate socioeconomic study area typically reflects the land use study area. For the Proposed Action, this study area approximates a ¼-mile radius around the Rezoning Area. This ¼-mile study area, shown in **Figure 3-1**, is appropriate for the assessment of direct displacement, which focuses on effects of the potential loss of businesses within the local area. In contrast, the indirect effects of a project can be more diffuse, depending upon the amounts and types of uses introduced. A project that would result in a relatively large increase in population may be expected to have potential indirect effects on a larger study area, which is typically a ½-mile study area. As detailed in Chapter 1, "Project Description," the Proposed Action would result in 3,323 new residential units under RWCDS 1 and 2,977 new residential units plus 773 dormitory beds under RWCDS 2, an increase of between 9.06 and 10.22 percent over the existing housing stock and the new housing expected in a ½-mile study area in the No-Action condition. This would also represent a 9.78 to 10.0 percent increase in the ½-mile study area population. Both RWCDS's would result in population increases within the ¼-mile study area of more than 5 percent—the *CEQR Technical Manual* threshold warranting an increase in the size of a study area from a ¼- to a ½-mile radius. Therefore, the study area for the socioeconomic analyses of indirect residential and business displacement approximates a ½-mile perimeter around the project site. Because these indirect assessments examine population and income data, the ½-mile area was modified to include all census tracts for which at least 50 percent of the tract's residential units were within the ½-mile perimeter. Therefore, the ½-mile socioeconomic study area for indirect displacement includes Census Tracts 31, 33, 37, 39, 43, 45, 47, 49, 55.01, 65, 67, 69, 73, and 75 (see **Figure 3-2**).[1]

DATA SOURCES

Information used in this analysis includes population, housing, and income data from the U.S. Census Bureau's 2010 Census, 2000 Census, 2006-2010 American Community Survey, the New

[1] Some census tract boundaries for 2000 were altered for the 2010 Census. For Census 2000 data, the ½-mile study area included the following census tracts: 31, 33, 51, 53, 39, 43, 45, 47, 49, 55.01, 65, 67, 69, 73, and 75. The area included in Census Tracts 51 and 53 in Census 2000 approximate the area included in Census Tract 37 in Census 2010. The ½-mile study area also includes a portion of Census Tract 317.02, which extends from the southern edge of the study area to West 59th Street, far north of the study area. In order to compare data over time, this Census Tract was excluded from the study area. According to Census data, the entire tract included three residents in 2000.

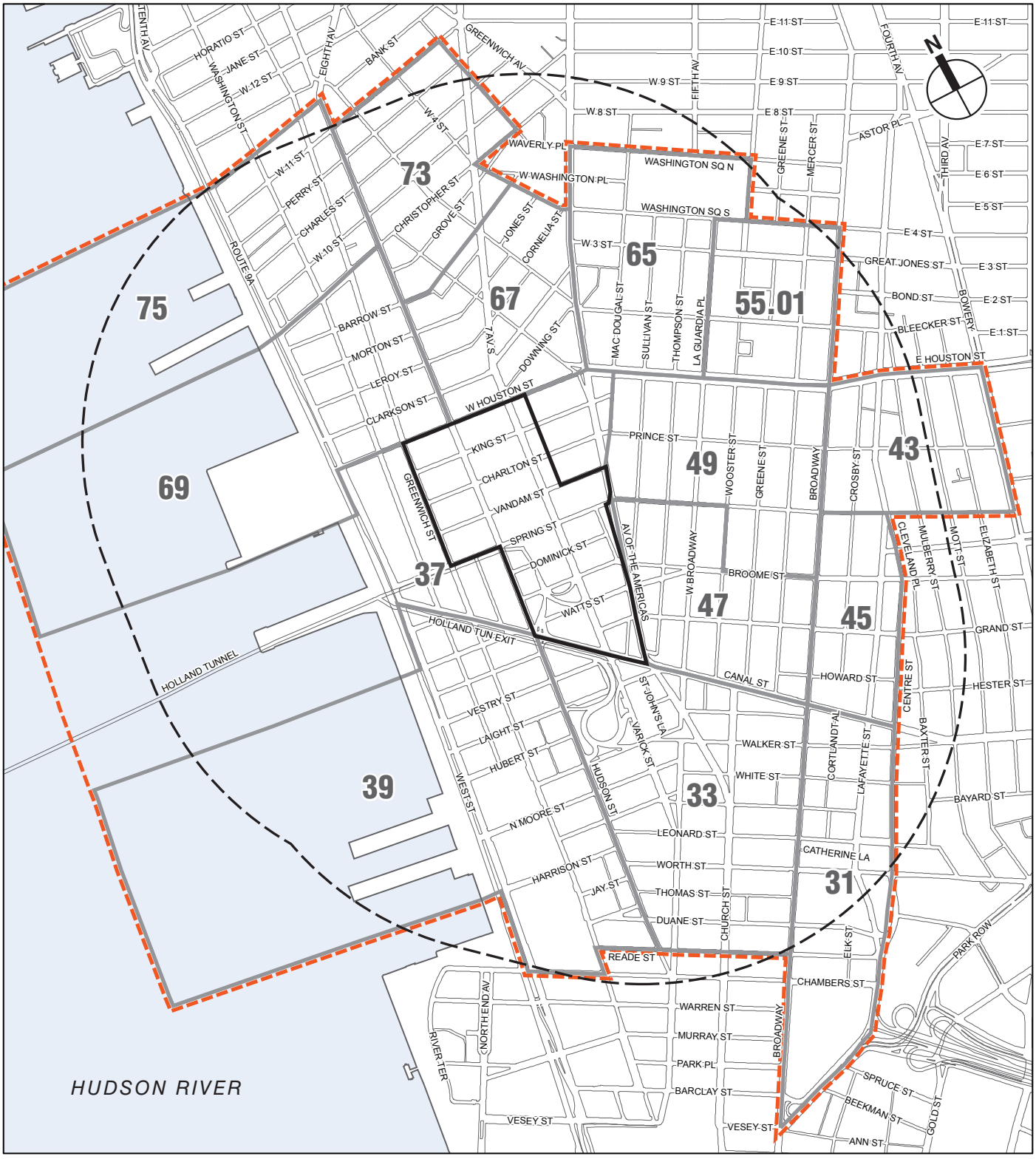


Quarter-Mile Socioeconomic Study Area

Figure 3-1

HUDSON SQUARE REZONING

5.16.12



Proposed Rezoning Area

1/2-Mile Perimeter of Rezoning Area

1/2-Mile Socioeconomic Study Area

Study Area Census Tract

Half-Mile Socioeconomic Study Area

Figure 3-2

York City Department of Finance's Real Property Assessment Data (RPAD) 2010 database, and March 2008 data from the New York State Department of Housing and Community Renewal (DHCR), compiled by the New York City Department of City Planning (DCP) Housing, Economic, and Infrastructure Planning (HEIP) Division. Data on Interim Multiple Dwelling buildings was obtained from the New York City Loft Board. Additional real estate data were obtained from Prudential Douglas Elliman Real Estate, CitiHabitats, MNS Real Estate, and Streeteasy.com. Data on permit applications for major alterations were obtained from the New York City Department of Buildings' Buildings Information System (BIS). This information was supplemented with field visits to portions of the study area in May 2012.

Employment estimates for the ¼-mile study area were obtained from New York State Department of Labor, Quarterly Census of Employment and Wages (as compiled by New York City Department of City Planning). Manhattan and New York City employment estimates are from ESRI Business Analyst. Employment estimates for the ¼-mile study area are based on U.S. Census's 2009 County Business Patterns. Data from Kemps International, an international film production resource, was used to describe the film production sector. Data on the hospitality and tourism industry was obtained from NYC & Company, New York City's official tourism organization. In addition, for this analysis field visits to the study area were made in October and November 2011.

C. PRELIMINARY ASSESSMENT

DIRECT RESIDENTIAL DISPLACEMENT

Direct residential displacement (sometimes called primary displacement) is the involuntary displacement of residents from a site directly affected by a proposed project. The Proposed Action would result in the direct displacement of four residential units within two buildings located on Projected Development Site 10 (282 Hudson Street, Block 579 Lot 1; and 284 Hudson Street, Block 579 Lot 2). Assuming an average household size of 1.84 persons the average household size in Manhattan Community District 2), the Proposed Action would directly displace approximately 8 residents, which is well below the 500-resident threshold warranting an assessment under CEQR. The direct residential displacement resulting from the Proposed Action would not be large enough to substantially alter the socioeconomic character of the neighborhood. There would be no significant adverse impact due to direct residential displacement, and no further analysis of this issue is warranted.

INDIRECT RESIDENTIAL DISPLACEMENT

Indirect residential displacement is usually caused by increased property values resulting from substantial new development in an area that is markedly different from existing uses. Increased property values lead to increased rents, which could make it difficult for some existing residents to remain in their homes. The assessment of indirect residential displacement aims to determine whether the Proposed Action would either introduce a trend or accelerate an existing trend of changing socioeconomic conditions that may have the potential to displace a residential population and substantially change the socioeconomic character of the neighborhood. This preliminary assessment follows the step-by-step preliminary assessment guidelines of the *CEQR Technical Manual*.

Step 1: Determine if the proposed project would add new population with higher average incomes compared with the average incomes of the existing populations and any new population expected to reside in the study area without the project.

The first step of a preliminary assessment of indirect residential displacement is to determine if the proposed project would add new population with higher average incomes compared with the average incomes of the population expected to reside in the study area in the No-Action condition. Though it specifically calls for the average as an indicator, the *CEQR Technical Manual* also explains that in some cases, the median may be a better statistical parameter for describing population characteristics. For example, for an area that contains a range of incomes with a few households that have substantially higher income than the vast majority, the average income would not appropriately describe the typical household income. For this assessment, both the median and the average were considered.

According to data from the 2006-2010 American Community Survey, the median household income for the ½-mile study area was $98,484 (see **Table 3-1**). This was significantly higher than the median household income for both Manhattan ($67,449) and New York City ($52,203). There is also an existing trend toward higher incomes in the study area. From 1999 to 2006-2010, the median household income in the ½-mile study area increased by approximately 5.1 percent. This is higher than the 1.5 percent increase in median household income experienced within Manhattan during the same time period.

Table 3-1
Median Household Income (1999, 2006-2010)

	1999	2006-2010	Percent Change
½-Mile Study Area	$93,735	$98,484	5.1
Manhattan	$66,440	$67,449	1.5
New York City	$54,097	$52,203	-3.5

Notes:
1. Median income for the study area was estimated based on a weighted average of median incomes for the census tracts in the study area.
2. The ACS collects data throughout the period on an on-going, monthly basis and asks for respondent's income over the "past 12 months." The 2006-2010 ACS data therefore reflects incomes over 2006 and 2010, while Census 2000 data reflects income over the prior calendar year (1999). The median household income for both time periods is presented in 2011 dollars using an average of the U.S. Department of Labor's March 2011 Consumer Price Indices for the "New York-Northern New Jersey-Long Island Area."

Sources: U.S. Census Bureau, 2000 Census, Summary File 3; 2006-2010 American Community Survey; U.S. Department of Labor Bureau of Labor Statistics; AKRF, Inc.

Average household income in the ½-mile study area is also relatively high, and is increasing at a faster rate than in Manhattan and New York City as a whole (see **Table 3-2**). In the study area, average household income increased by approximately 12.7 percent between 1999 and 2006-2010. Average household income increased by approximately 2.2 percent in Manhattan and decreased by 2.2 percent in New York City over the same period. The study area's larger increase in average income as compared with median income suggests an influx of households with substantially higher incomes than the majority of the population.

Table 3-2
Average Household Income (1999, 2006-2010)

	1999	2006-2010	Percent Change
½-Mile Study Area	$153,662	$173,236	12.7
Manhattan	$124,542	$127,297	2.2
New York City	$82,651	$80,868	-2.2

Notes:
1. Average income for the study area was estimated based on a weighted average of mean household incomes for the census tracts in the study area.
2. The ACS collects data throughout the period on an on-going, monthly basis and asks for respondent's income over the "past 12 months." The 2006-2010 ACS data therefore reflects incomes over 2006 and 2010, while Census 2000 data reflects income over the prior calendar year (1999). The average household income for both time periods is presented in 2011 dollars using an average of the U.S. Department of Labor's March 2011 Consumer Price Indices for the "New York-Northern New Jersey-Long Island Area."

Sources: U.S. Census Bureau, 2000 Census, Summary File 3; 2006-2010 American Community Survey; U.S. Department of Labor Bureau of Labor Statistics; AKRF, Inc.

In the With-Action condition under RWCDS 1, approximately 3,352 residential units would be introduced within the Rezoning Area, of which 3,323 units would be new with the proposed rezoning. Assuming an average household size of 1.84 persons (the average household size in Manhattan Community District 2), the additional 3,323 dwelling units attributable to the Proposed Action would add an estimated 6,113 residents to the rezoning area. It is assumed that 679 of the 3,323 new housing units would be developed as affordable housing using the incentives of the Inclusionary Housing Program. These units would be available to low- and moderate-income households, while the rest of the residential units would be market-rate.

Under RWCDS 2, approximately 3,006 residential units would be introduced within the Rezoning Area, of which 2,977 units would be new with the proposed rezoning. Assuming an average household size of 1.84 persons (the average household size in Manhattan Community District 2), the additional 2,977 dwelling units would add an estimated 5,476 residents to the rezoning area. In addition, under RWCDS 2, the Proposed Action would result in a net increase of 231,700 zoning square feet (zsf) of dormitory use, or approximately 773 dormitory beds.[1] Combined with the additional 773 students in the dormitory buildings, under RWCDS 2, the Proposed Action would result add an estimated 6,249 residents to the rezoning area. It is assumed that 598 of the 2,977 new housing units would be developed as affordable housing using the incentives of the Inclusionary Housing Program, while the rest would be market rate and available to households at any income level.

The Proposed Action would introduce between 2,379 (RWCDS 2) and 2,644 (RWCDS 1) new market-rate residential units to the study area. Though the average and median incomes in the study area are both significantly higher than those for Manhattan and New York City as a whole, recent real estate trends in the area indicate that many of these market-rate units would be occupied by households with income higher than the area median. A survey of current market-rate rentals in SoHo, Tribeca, Greenwich Village, the West Village, and Civic Center found that average rental rates for one-bedroom units range from $3,130 to $4,700 per month, average rental rates for two-bedroom units range from $4,260 to $8,150 per month, and average rental

[1] Assumes 1 dormitory bed per 300 sf of dormitory space.

rates for three-bedroom units range from $5,530 to $12,990 per month.[1] Assuming that the average renter spends 30 percent of his or her income on rent, renters of a one-bedroom apartment would be projected to earn between $112,000 and $170,000.[2]

Home values are also high in the study area and have been increasing over the last decade. The average sales prices for coops and condos in Tribeca/SoHo (the area bounded by Houston Street, Vesey Street, Broadway, and the Hudson River) have increased by more than 60 percent since 2001. The average sales price in those neighborhoods in 2010 was $2.20 million for a coop and $2.61 million for a condo. The average price for a coop in Greenwich Village (the area bounded by 14th Street, Houston Street, Broadway, and the Hudson River) was lower ($1.05 million) than the average in Tribeca/SoHo but increased at a faster pace, rising 77 percent between 2001 and 2010. Condos in Greenwich Village averaged $2.81 million and increased by a dramatic 245 percent over the last decade.[3] With the exception of coops in Greenwich Village, these prices were higher than the corresponding averages for coops and condos in Manhattan as a whole, which averaged $1.46 million in 2010.

Since 2000, the average and median income in the study area has increased at rates higher than those experienced in Manhattan and New York City as a whole. However, in the context of market-rate rents in the study area, it is possible that market-rate units added by the Proposed Rezoning could result in the introduction of a population with incomes higher than the median in the study area. Because it is possible that up to 4,865 new residents under RWCDS 1 would have income greater than the median in the study area, Step 2 of the preliminary assessment is warranted. [4]

Step 2: Determine if the project's increase in population is large enough relative to the size of the population expected to reside in the study area without the project to affect real estate market conditions in the study area.

According to the *CEQR Technical Manual*, a population increase of less than 5 percent of the total study area population would generally not be expected to change real estate market conditions; however, a population increase greater than 10 percent of the study area would warrant a detailed analysis. According to Census data, the ½-mile study area population was 57,885 residents in 2010 (see **Table 3-3**).

[1] Average rental rates were obtained from CitiHabitats, the MNS Manhattan Rental Market Report, and searches for apartment listings on Streeteasy.com conducted on December 21, 2011.

[2] Assumption based on U.S. Department of Housing and Urban Development (HUD) definition of affordable housing. According to HUD, families who pay more than 30 percent of their income for housing are cost burdened.

[3] Average sales prices were obtained from Prudential Douglas Elliman Real Estate, The Douglas Elliman Report: Manhattan 2001-2010.

[4] Assumes an average household size of 1.84 persons (the average household size for Manhattan Community District 2). It is conservatively assumed that the dormitory units added by RWCDS 2 would not be occupied by students with incomes higher than the median in the study area, and therefore RWCDS 1 was used because it adds more market-rate housing units.

Table 3-3
2000 and 2010 Population

	2000	2010	Percent Change
½-Mile Study Area	55,840	57,885	3.7%
Manhattan	1,537,195	1,585,873	3.2%
New York City	8,008,278	8,175,133	2.1%

Sources: U.S. Census Bureau, 2000 Census, Summary File 1; 2010 Census, Summary File 1; AKRF, Inc.

RWCDS 1 would result in an additional 6,113 residents in the study area. Under RWCDS 2, 6,249 new residents would be introduced to the study area. As shown in **Table 3-4**, these changes in population amount to a 9.78 percent increase in the ½-mile study area population under RWCDS 1, and a 10.0 percent increase in the ½-mile study area population under RWCDS 2. As this increase approaches the 10 percent threshold defined by the *CEQR Technical Manual*, a detailed analysis was conducted to determine a project's potential for significant adverse impacts due to indirect residential displacement (see Section D, below).

Table 3-4
Estimated Population in the ½-Mile Study Area:
No-Action and With-Action Conditions

	2010	No-Action Condition	With-Action Condition	Percent Change
RWCDS 1	57,885	62,483	68,596	9.78%
RWCDS 2	57,885	62,483	68,732	10.00%

Notes: Population estimates assume an average household size of 1.84 persons, the average household size for Manhattan Community District 2.
Sources: U.S. Census Bureau, 2010 Census, Summary File 1; AKRF, Inc.

DIRECT BUSINESS DISPLACEMENT

The *CEQR Technical Manual* defines direct business displacement as the involuntary displacement of businesses from the site of (or a site directly affected by) a proposed action. While some of the businesses and employment located on projected development sites will be displaced by planned projects in the No-Action condition, there would be some direct displacement attributable to the Proposed Action, and the amount of employment associated with that displacement could exceed the 100-employee *CEQR Technical Manual* threshold warranting a preliminary assessment. Therefore, a preliminary assessment of direct business displacement was conducted which evaluates the employment and business value characteristics of the affected businesses to determine the significance of the potential impact. This preliminary assessment starts with a profile of the employment within a ¼-mile study area surrounding the project site.

¼-MILE STUDY AREA EMPLOYMENT

As of 2010, there were an estimated 112,391 employees in the ¼-mile study area (see **Table 3-5**). These employees represented approximately 5.1 percent of Manhattan's employment, and 3.2 percent of the employment in all of New York City. The private economic sectors with the highest employment in the study area (i.e., those that contribute substantially in an economic sense) were the Professional, Scientific, and Technical sector (12.5 percent of total employment in the study area), followed by the Finance and Insurance sector (9.6 percent) and the Health Care and Social Assistance Sector (8.7 percent).

Table 3-5
Estimated Employees in 2010 ¼-Mile Study Area, Manhattan, and New York City

Type of Job by NAICS Category	Study Area		Manhattan		New York City	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting	0	0.0%	326	0.0%	1,051	0.0%
Mining	0	0.0%	255	0.0%	329	0.0%
Utilities	0	0.0%	5,124	0.2%	8,394	0.2%
Construction	1,836	1.6%	28,325	1.3%	86,719	2.5%
Manufacturing	1,785	1.6%	78,671	3.6%	146,253	4.2%
Wholesale trade	1,912	1.7%	54,122	2.5%	118,766	3.4%
Retail trade	6,434	5.7%	200,933	9.1%	353,729	10.0%
Transportation and warehousing	1,627	1.4%	23,873	1.1%	88,067	2.5%
Information	7,800	6.9%	201,410	9.1%	229,203	6.5%
Finance and insurance	10,802	9.6%	375,694	17.0%	411,979	11.7%
Real estate and rental and leasing	2,093	1.9%	80,810	3.7%	130,118	3.7%
Professional, scientific, and technical services	14,097	12.5%	348,970	15.8%	399,869	11.4%
Management of companies and enterprises	567	0.5%	26,779	1.2%	27,385	0.8%
Administrative and support and waste management and remediation services	4,580	4.1%	84,937	3.9%	118,552	3.4%
Educational services	4,257	3.8%	82,970	3.8%	266,100	7.6%
Health care and social assistance	9,785	8.7%	187,260	8.5%	447,317	12.7%
Arts, entertainment, recreation	1,270	1.1%	64,474	2.9%	77,433	2.2%
Accommodation and food services	8,286	7.4%	159,300	7.2%	233,089	6.6%
Other services (except public administration)	2,573	2.3%	114,591	5.2%	212,209	6.0%
Public administration	32,686	29.1%	67,439	3.1%	141,846	4.0%
Unclassified Establishments	0	0.0%	18,199	0.8%	22,731	0.6%
Total	**112,391**	**100%**	**2,204,462**	**100.0%**	**3,521,139**	**100.0%**

Sources: ¼-mile study area employment data from New York State Department of Labor, Quarterly Census of Employment and Wages, (compiled by New York City Department of City Planning). Manhattan and New York City employment estimates from ESRI Business Analyst, Inc, Business Summary Report.

Profile of Potentially Displaced Businesses on Projected Development Sites

There are approximately 88 businesses located on projected development sites within the proposed Rezoning Area that could be displaced by the Proposed Action (see **Table 3-6**). This estimate of displaced businesses only includes businesses that would be potentially displaced due to the Proposed Action. Businesses potentially displaced by redevelopment in the No-Action condition are not included in the count.

Table 3-6
Directly Displaced Employment by Business Type and Sector

NAICS	NAICS Category	Businesses		Employees	
		Number	% of Total	Number	% of Total
23	Construction	1	1.1%	16	2.5%
44-45	Retail Trade	4	4.5%	77	12.2%
51	Information	5	5.7%	59	9.5%
54	Professional Services	40	45.5%	266	42.3%
71	Arts, Entertainment, and Recreation	27	30.7%	81	12.9%
72	Accommodations and Food Services	6	6.8%	74	11.7%
81	Other services	5	5.7%	56	8.9%
	Total	**88**	**100%**	**629**	**100%**

Sources: AKRF November 2011, U.S. Census—County Business Pattern (2009).

These businesses provide jobs for an estimated 629 people, making up 0.6 percent of the total study area employment. There are a wide range of uses on projected development sites. By industry sector, Professional Service businesses represent the largest share of potentially displaced businesses (40 businesses, or 45.5 percent of the total businesses displaced), followed by Arts, Entertainment and Recreation businesses (accounting for 27 businesses or 30.7 percent of total businesses). Retail Trade (4 businesses), Information (5 businesses), Accommodation and Food Services (6), and Other Services account combined for approximately 22 percent of businesses.

Professional Service businesses also account for the largest share of employees (266 people or 42.3 percent of the total displaced employment). Although Arts, Entertainment and Recreation businesses account for the second largest number of businesses, they only represent 12.9 percent of total employees on projected development sites. Because most of the businesses in this category are artist studios, which are estimated to account for only 2.4 employees per artist studio, their share of the total employment is relatively small. The Other Services category is comprised of the two parking businesses and two not-for-profits operating on projected development sites in the study area.

CEQR ASSESSMENT CRITERIA

As part of the CEQR preliminary assessment, the following threshold indicators (numbered in italics below) are considered to determine the potential for significant adverse impacts.

1. Would the businesses to be displaced provide products or services essential to the local economy that would no longer be available in its "trade area" to local residents or businesses due to the difficulty of either relocating the businesses or establishing new, comparable businesses?

Based on the RWCDS for projected development sites, the numbers and types of businesses that would be directly displaced by the Proposed Action and the numbers of employees associated with those businesses were estimated. As shown in **Table 3-6**, an estimated 629 employees in 88 businesses could be directly displaced by the Proposed Action (businesses potentially displaced by redevelopment in the No-Action condition are not included in this count). Two business sectors account for the majority of businesses displaced: Professional Services (40 businesses) and Arts, Entertainment, and Recreation (27 businesses). Professional services businesses also account for the largest number of employees (266 employees). Because art studios do not employ many staff, the Arts, Entertainment and Recreation sector accounts for relatively few employees (81 employees).

Construction Sector

There is only one construction business located on one of the projected development sites, employing approximately 16 employees. Construction businesses typically do not focus on a specific neighborhood, but rather work on projects throughout New York City and beyond. Businesses or residents in need for construction services can rely on the 1,878 construction workers in the study area or on the more than 86,000 construction employees in Manhattan.

Retail Trade Sector

Of the four retail establishments on the projected redevelopment sites, three are online businesses shipping their products to customers throughout the country. The three online shops sell distinct products, ranging from electronic parts to luxury accessories and clothing and are

estimated to employ 69 of the total 77 retail employees on projected development sites. These businesses can serve their customers even if they were displaced and relocated to a different part of the city or the country.

The only store retailer present on the projected development sites is a lighting sales and installation business. This retailer mainly caters to larger corporate clients with lighting needs in warehouses and industrial spaces. Since most of New York City's larger warehousing and manufacturing concentrations are outside of Manhattan, it is expected that the firm's customers are outside of the rezoning and study area, such that its displacement would not substantially impact local businesses and residents.

Information Sector

The five Information sector businesses located on projected development sites are all film production studios, and are estimated to employ a total of 59 people. The five businesses represent only a small fraction of the approximately 221 businesses in the film production sector in Manhattan, as listed by Kemps International, an international film production resource.

Although the study area is one of the city's main clusters for film production, there are several other clusters in Manhattan where film production studios have a strong presence. **Table 3-7** shows the distribution of film production companies throughout Manhattan. Besides Zip Codes 10013 and 1014, which partially overlap with the study area, Zip Codes 10001, 10003, 10010, 10011, 10012, 10017, 10019, and 10036 are also home to major clusters of film production companies. The displacement of the five film production companies from projected development sites is not expected to have any adverse impacts on the local business community, because the local economy does not depend on their services for its viability. The five film studios potentially displaced represent a small share of the total film production companies in Manhattan (approximately 2.3 percent), and there exists other significant industry clusters exist in New York City.

Table 3-7
Film Production Companies in Manhattan

	Film Production Companies	
Zip Code	Number	Percent
10001	17	7.70%
10003	18	8.10%
10010	15	6.80%
10011	17	7.70%
10012	22	10.00%
10013	28	12.70%
10014	12	5.40%
10017	11	5.00%
10019	16	7.20%
10036	13	5.90%
Other	52	23.50%
Total	221	100%

Notes: Represents subset of motion picture and film production sector
Sources: Kemps- Film, Television, Commercial (kftv.com)

Professional Services Sector

The Professional Services sector is the largest sector, both in terms of the number of businesses and the number of people employed by firms on projected development sites. Overall, approximately 40 businesses in this sector provide about 266 jobs. There is a large variety of sub-sectors that comprise the sector (see **Table 3-8**). Business activities range from marketing to printing and publishing to event management.

Table 3-8
Professional Service Businesses on Projected Development Sites

	Businesses		Employees	
	Number	% of Total	Number	% of Total
Marketing	4	10.0%	33	12.4%
Real Estate	3	7.5%	21	8.1%
Computer Programming	2	5.0%	31	11.7%
Business Consultant	3	7.5%	25	9.3%
Printing and Publishing	6	15.0%	67	25.2%
Graphic Design	5	12.5%	25	9.3%
Photography	11	27.5%	26	9.9%
Online Prescription Management	1	2.5%	12	4.5%
Other Design	4	10.0%	17	6.6%
Event Management	1	2.5%	8	3.1%
Total	**40**	**100%**	**266**	**100%**

Sources: AKRF November 2011, U.S. Census—County Business Pattern (2009)

Professional photography studios represent the largest sub-sector group. They account for 11 businesses (27.5 percent of businesses), all of which are located on Projected Development Sites 8 and 9. Since these businesses do not require many support staff, they account for only approximately 10 percent of the displaced employees. The second largest sub-sector is the Printing and Publishing sector. There are six businesses on the projected development sites employing approximately 25.2 percent of the displaced employment in the Professional Services sector. The third largest sub-sector is marketing, which accounts for 10 percent of businesses and 12.4 percent of employees.

Most of the traditional business support services such as marketing, real estate, computer programming, consultants, and graphic design and other design services, are well represented in the study area and in other business districts in Manhattan, such as Downtown and Midtown. The services of the displaced businesses and are not expected to be unusually important to the community, or serve a population uniquely dependent on services at that location. Because the employment loss would not be substantial, this displacement would not constitute a significant adverse socioeconomic impact.

Printing and publishing companies account for the largest share of employment of Professional Services businesses that are expected to be directly displaced from projected development sites. The printing and related activities sector has historically been clustered in the study area. Over the past three decades, however, the printing industry experienced a major decline, from 21,216 employees in 1980 to approximately 7,727 in 2009[1]. Manhattan printing businesses still employ the majority of employees within this NAICS category (42 percent). Queens (and Long Island

[1] U.S. Census.

City in particular), has developed a cluster that is similar in size, employing 38 percent of employees in this sector in all of New York City. The potentially displaced employees would account for 0.9 percent of all employees in New York City, and 2.1 percent of print sector jobs in Manhattan. Given the small of share of employees potentially displaced a significant impact on local businesses is not expected.

There are 11 photography studios on projected development sites. Nine of the 11 studios are on Projected Development Site 9. The studios are occupied by professional photographers, who produce head shots for private clients but also marketing materials for corporate entities. Photographers provide their services to clients in all of New York City such that their potential displacement would not constitute a significant impact on local business and community.

Arts, Entertainment, and Recreation Sector

Art, Entertainment, Recreation businesses are all located on Projected Development Site 9, with one exception. All of the businesses are fine arts studios, occupied by painters, sculptors and other artists. Similar to photography studios, artists do not require an extensive support staff. This is the reason why artists account for almost 30 percent of displaced businesses, but only 13 percent of the displaced employment. In total, 27 artist studios were identified, providing employment to approximately 81 people. Compared with the employment in Arts, Entertainment, and Recreation sector in the study area as a whole, artist studios account for 4.8 percent of total study area employment. When compared with the total sector employment in Manhattan and New York City, employment in this sector on projected development sites represents 0.13 percent and 0.10 percent respectively.

It is expected that potentially displaced artists would find space in other parts of the study area or elsewhere in New York City, such as Harlem, Long Island City or Greenpoint, where larger space is available for reasonable rents.

Accommodation and Food Services Sector

There are four restaurants and two bars on projected development sites. Three of the four restaurants are sit-down, and one is a fast-food restaurant. With 368 accommodation and food service businesses in the study area, there is an abundance of places to eat and drink. The Proposed Action would potentially displace six establishments, which represent 1.6 percent of accommodation and food service businesses in the study area.

Other Services Sector

The Other Services (except Public Administration) sector comprises establishments engaged in providing services not specifically provided for elsewhere in the classification system. Other Services businesses on projected development sites include two parking businesses and two not-for-profit operations.

Parking is not unique and is widely available throughout the study area, Manhattan, and New York City. As discussed in Chapter 13, "Transportation," there are 31 off-street parking facilities in the ¼-mile study area with approximately 4,000 parking spaces. These existing off-street parking facilities would be able to provide parking services to the vehicles that would no longer be able to park in the parking lots on the projected development sites. Many other existing businesses provide the same services at locations throughout the study area, Manhattan, and New York City.

The two not-for profit businesses potentially displaced are 'Art 21' and 'Aid for Aids.' Art 21 is a nonprofit dedicated to engaging audiences with contemporary visual art, Aid for Aids is an organization committed to improving the quality of life of people living with HIV/AIDS. Both not-for-profits operate nationally (and internationally in the case of Aid for Aids) and therefore do not serve a particular community in the study area. The potential displacement of the two organizations is not expected to have a significant adverse impact on services provided to the local community.

2. Is the category of businesses or institutions that may be directly displaced the subject of other regulations or publicly adopted plans to preserve, enhance, or otherwise protect it?

The potentially displaced businesses and institutions are not the subject of current public policy seeking to preserve and protect the businesses or institutional categories.

Given that the uses that would be directly displaced by the Proposed Actions represent only a small portion of the study area employment; are not critical to local businesses and residents of the study area; and are not the subject of regulations or publicly adopted plans to preserve, enhance, or protect them, the Proposed Action would not result in significant adverse direct business displacement impacts, and no further analysis is warranted.

INDIRECT BUSINESS DISPLACEMENT

The preliminary assessment of indirect business displacement focuses on whether the Proposed Action could increase commercial property values and rents within the ½-mile study area so that it would become difficult for some categories of businesses to remain in the area. The following four questions (numbered in italics below) address the potential for significant adverse indirect business displacement impacts.

1. Would the Proposed Action introduce enough of a new economic activity to alter existing economic patterns?

The Proposed Action would introduce a net increase of up to 3,323 residential units; 99,086 gross square feet (gsf) of new retail uses; and up to 139,583 gsf of commercial office uses. The residential uses would include a combination of affordable and market-rate units, while the retail uses are expected to include neighborhood-oriented goods and services.

The ½-mile study area already has well-established commercial and residential markets, and therefore the Proposed Action would not be introducing new economic activities to the projected development sites or to the study area that would alter existing economic patterns. Commercial uses are common throughout the study area, including more locally on Hudson and Varick Streets, north-south commercial corridors with a variety of commercial uses such as furniture stores, community retail stores, and restaurants and cafes. As shown in **Table 3-5**, the study area contains an estimated 6,434 jobs in the Retail Trade sector, and there are nearly 17,000 jobs in the office-related sectors of Financial Services, Real Estate, and Professional Services.

Although very limited within the Rezoning Area, residential uses are found throughout the larger ½-mile study area—according to U.S. Census 2010, there are an estimated 34,852 residential dwelling uses in the ½-mile study area. And as detailed in Section D, "Detailed Analysis of Indirect Residential Displacement," there is a strong existing residential real estate market and an existing trend toward increased rents.

2. Would the Proposed Action add to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to alter existing economic patterns?

The *CEQR Technical Manual* suggests that residential development of 200 units or less or commercial development of 200,000 square feet or less would typically not result in significant adverse socioeconomic impacts. Under both RWCDS, the Proposed Action would result in the introduction of just over 200,000 square feet of net new commercial development, including both projected retail and commercial office development. Under RWCDS 1 or 2, the Proposed Action would add 99,086 gsf of retail uses. Based on RPAD estimates, in 2010 the ½-mile study area contained approximately 7.7 million gsf of retail space. The additional retail introduced by the Proposed Action would represent an estimated 1.3 percent of the study area's total retail inventory. The new retail uses are therefore not expected to add to the concentration of the retail sector enough to alter or accelerate retail trends within the study area.

Based on RWCDS 1 or 2, the Proposed Action would also add 139,583 gsf of commercial office space. Based on RPAD 2010 estimates, the ½-mile study area currently contains approximately 31.0 million sf of office space. The additional office space introduced by the Proposed Action—representing an estimated 0.5 percent of the office space inventory for the ½-mile study area—would not add to the concentration enough to alter or accelerate commercial office trends within the study area.

As stated above, the ½-mile study area contains an estimated 34,852 residential units housing an estimated 57,885 residents. RWCDS 1 would result in an additional 6,113 residents in the study area, and increase the residential population by 9.78 percent, compared with the No-Action condition (see **Table 3-4**). RWCDS 2 would result in an additional 6,249 residents and students in the study area, and increase the residential population by 10.0 percent, compared with the No-Action condition. While this can be considered a substantial increase in residential uses within the study area, there is a strong existing trend toward residential development in the study area, and the residential units that would be introduced by the Proposed Action would represent a continuation of that existing trend.

New residents would demand additional retail goods and services and other amenities, and only some of that demand would be met by the retail introduced by the Proposed Action. However, demand for neighborhood retail goods and services is already present in the study area, and the Proposed Action is not expected to substantially alter or accelerate that trend.

3. Would the Proposed Actions directly displace uses of any type that directly support businesses in the area or bring people to the area that form a customer base for local businesses?

The Proposed Action would directly displace 88 existing businesses, which consist mainly of professional services and arts and entertainment businesses, all of which are abundant within the study area, Manhattan and New York City. None of the potentially displaced businesses provide substantial direct support to other businesses in the study area, nor do they bring substantial numbers of people to the area that form a customer base for local businesses. The goods and services offered by potentially displaced uses can be found elsewhere within the study area, and the proposed project would introduce similar uses. Therefore, the displacement of these businesses would not have an adverse effect on the remaining businesses or consumers in the study area.

4. Would the proposed project directly or indirectly displace residents, workers, or visitors who form the customer base of existing businesses in the study area?

As discussed above, the Proposed Action would not result in significant adverse impacts due to direct business displacement, and the Proposed Action is not expected to indirectly displace a substantial number of residents or workers. Although the employees of the directly displaced businesses and institutions form a portion of the customer base of neighborhood service establishments (e.g., food and drink establishments, retail), the Proposed Action would introduce up to 6,249 residents (under RWCDS 2) and would increase the overall employment in the Rezoning Area compared with the No-Action condition. The influx of residents and employees to the study area would add to the customer base of existing study area businesses.

CONCLUSION

Based on the preliminary assessment above, the Proposed Action would not result in significant adverse impacts due to indirect business displacement, and a detailed analysis of this issue is not warranted.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

According to the *CEQR Technical Manual*, a significant adverse impact may occur if an action would measurably diminish the viability of a specific industry that has substantial economic value to the city's economy. An example as cited in the *CEQR Technical Manual* would be new regulations that prohibit or restrict the use of certain processes that are critical to certain industries.

The Rezoning Area has a substantial presence of creative arts industry uses, such as production studios, film storage businesses, and other arts-related firms. Therefore, an analysis of the potential effects of the Proposed Action on the city's creative arts industry is provided below. The analysis draws on the economic and real estate data compiled in assessing direct and indirect displacement impacts (presented above).

In addition, the development of hotel uses is permitted as-of-right under the current M1-6 zoning, and interest in hotel development in the Rezoning Area is robust. As discussed in Chapter 1, "Project Description," hotel development in the Rezoning Area is expected to continue in the No-Action condition, with the projected development of approximately 1,100 hotel rooms on four sites. With the Proposed Action, the development of hotel uses with 100 or fewer sleeping units would continue to be permitted as-of-right in the Rezoning Area. However, in the With-Action condition the development of hotel uses with more than 100 sleeping units (whether created through new construction or change of use in existing "qualifying buildings") would require application to the New York City Planning Commission (CPC) for a special permit. In the case of new construction hotels, the special permit requirement would apply prior to receipt of certificates of occupancy for 75 percent of the number of dwelling units projected to be developed in the Rezoning Area (the "residential development goal"); after the residential development goal is reached new construction hotels with more than 100 sleeping units would be permitted as-of-right. In the case of the change of use of existing "qualifying buildings" to hotels with more than 100 sleeping units, the special permit requirement would not expire once the residential development goal is met. Because the Proposed Action would institute controls on hotel development in the Rezoning Area, an analysis of the potential effects of the Proposed Action on the city's hospitality and tourism industry is provided below.

Following *CEQR Technical Manual* guidelines, the analysis of effects on specific industries for both the creative arts industry and the hospitality and tourism industry considers to the following issues (numbered in italics below) to determine the potential for significant adverse impacts.

POTENTIAL FOR ADVERSE EFFECTS ON THE CREATIVE ARTS INDUSTRY

1. Whether the Proposed Action would significantly affect the future operations of the creative arts industry in the city.

The Proposed Action would not significantly affect business conditions in any industry or any category of business within or outside the study area. As described in "Direct Business Displacement" above, the Proposed Action would directly displace 88 businesses on projected development sites (businesses potentially displaced by redevelopment in the No-Action condition are not included in this count). Of the 88 businesses only five businesses are providing services related to the filming industry in New York City, employing 59 people. As outlined in the direct displacement section, this represents only small fraction of businesses in the film production sector (2.3 percent). There many other businesses both in Manhattan and New York City that will able to support existing clients of potentially displaced businesses.

Next to the filming industry, printing was historically a strong business sector in the study area. Six printing businesses with approximately 67 employees are estimated to be potentially displaced on projected development sites. With an increase of digital products, printing and publishing activities have declined not just in New York City but worldwide. While the industry is expected to further decline, the displacement of six businesses does not represent a major reduction of sector business in the city (0.9 percent).

Other arts-related businesses, in particular art studios, account for approximately 31 percent of businesses on projected development sites. However, the area does not appear to be a strong cluster for art-related activities. Only 2.4 percent jobs in the study area are related to arts, entertainment, and recreation-related activities; less than the Manhattan average of 2.9 percent. When compared with art-related businesses in all of Manhattan, potentially displaced businesses account for only 0.13 percent.

The products and services offered by the businesses that would be displaced are not expected to be essential to the viability of other businesses within or outside of the study area. Therefore, there would not be an adverse effect on any specific industry within or outside of the study area.

2. Whether the Proposed Action would indirectly substantially reduce employment or impair viability of the creative arts industry in the city.

As described above, the Proposed Action would not result in significant indirect business displacement. Therefore, the Proposed Action would not indirectly substantially reduce employment in any industry or category of business, including the creative arts industry.

POTENTIAL FOR ADVERSE EFFECTS ON THE HOSPITALITY AND TOURISM INDUSTRY

1. Whether the Proposed Action would significantly affect the future operations of the hospitality and tourism industry in the city.

The Proposed Action would not significantly affect business conditions within the hospitality and tourism industry in New York City. According to NYC & Company, New York City's official tourism organization, visitation to New York City has been growing steadily over the past five years. In 2007, approximately 46 million tourists visited the city; by 2011 visitation had

increased to approximately 51 million. The city has a goal of attracting 55 million visitors by 2015. The Proposed Action's controls on hotel development within the Rezoning Area would not have the potential to affect tourism throughout New York City, which is generally driven by the attractiveness of New York City as a tourist destination; with its many museums, attractions, restaurants, theaters, entertainment and shopping; and by broad economic trends.

Although the Proposed Action would institute controls requiring discretionary review by the City Planning Commission for the development of new hotels over 100 rooms in the Rezoning Area, the proposed controls would not adversely affect the hospitality industry. As noted above, the development of hotel uses with 100 or fewer sleeping units would continue to be permitted as-of-right in the Rezoning Area, and new construction hotels with more than 100 sleeping units would be permitted as-of-right after the residential development goal is reached. Furthermore, zoning permits hotels to locate as-of-right in C4, C5, C6, C8, and M1 districts. These districts are widely mapped throughout New York City, including in areas popular with tourists such as Lower Manhattan, the Lower East Side, Union Square, Midtown, Times Square, and Chelsea. These districts are also widely mapped in Long Island City and Downtown Brooklyn.

New hotel development does not have specific locational needs, nor does it require location within the Rezoning Area to be viable. In general, hotels tend to locate near local attractions or in areas with convenient access to transportation (typically for business travelers). In New York City over the past decade there has been a trend towards the increased distribution of hotels throughout the city, rather than being concentrated only in certain areas of Manhattan. Since 2006, approximately 7,500 new hotel rooms have been constructed in Queens, Brooklyn, the Bronx, and Staten Island.[1] This trend provides greater opportunities for hotel development throughout the city. A survey of recently opened and planned major hotel developments (i.e., 200 rooms or more) demonstrates that the development of new hotel space has been distributed throughout the city, rather than concentrated in a particular neighborhood (see **Table 3-9**). Accounting for all current and planned hotel projects, there are plans for more than 12,000 hotel rooms in over 40 projects located in all five boroughs, including in the neighborhoods of Chelsea, Lower Manhattan, Madison Square Park, Union Square, Harlem, and Midtown Manhattan and Kensington, Sunset Park, Downtown Brooklyn, and Williamsburg, Brooklyn.[2] Because hotel development is widely distributed throughout New York City and does not have specific locational needs that require location within the Rezoning Area, the controls on hotel development under the Proposed Action would not adversely affect the hospitality industry.

[1] Hotel Development in NYC, New York City Briefing Sheet – ITB & Q1 2012: NYC & Company, 2012

[2] Hotel Development in NYC, New York City Briefing Sheet – ITB & Q1 2012: NYC & Company, 2012

Table 3-9
Recently Opened and Planned Major Hotel Developments in New York City

Name	Number of Rooms	Location
Conrad New York	463	102 North End Avenue
Starwood Hotel	774	East 42nd at 3rd Avenue
Hyatt Place Midtown East	235	206 East 52nd Street
SpringHill Suites by Marriot	230	112-01 Northern Boulevard
Fairfield Inn	234	325 West 33rd Street
Willow Hotel	250	120 West 57th Street
Carnegie 57 Park Hyatt	210	157 West 57th Street
Holiday Inn	408	99 Washington Street
Four Points Sheraton	264	6 Platt Street
Hyatt Times Square	487	135 West 45th Street
Courtyard by Marriott	378	Broadway at 54th Street
Hilton New York JFK Airport	356	144-02 135th Ave
Dream Downtown	316	346 West 17th Street
Yotel New York	669	42nd Street and 10th Avenue
Mondrian SoHo	253	9 Crosby Street

Notes: Includes hotel projects of 200 rooms or more.
Sources: Hotel Development in NYC, New York City Briefing Sheet – ITB & Q1 2012: NYC & Company, 2012

The Proposed Action's controls on hotel development in the Rezoning Area may result in the potential for limited additional hotel development in adjacent neighborhoods. However, constraints on hotel development in the adjacent areas, such as a shortage of developable sites and restrictions presented by current zoning in those adjacent neighborhoods, including limited FAR and zoning controls on hotel uses, would serve to limit the amount of new hotel development in these areas. These constraints would not be affected by the Proposed Action's hotel controls. In addition, under the Proposed Action, hotel development could continue as-of-right in the Rezoning Area (either with 100 or fewer sleeping units or after the residential goal is met), as well as by special permit in all other circumstances. This would also serve to limit the amount of new hotel development in adjacent areas, as it would allow a portion of the demand for hotel development to continue to be met within the Rezoning Area. In addition, in recent years, neighborhoods adjacent to the Rezoning Area, in particular, SoHo and the portion of Hudson Square west of Hudson Street between Spring and Canal Streets, have experienced hotel development and such development may continue in the future with or without the Proposed Action. Immediately south of the Rezoning Area, the Tribeca Mixed-Use Special District (TMU) requires a special permit for hotel uses with more than 100 sleeping units, similar to the Proposed Action. West of the Rezoning Area, the existing zoning is M2-4, which does not allow hotel uses as-of-right.

East of the Rezoning Area in SoHo, existing zoning is R7-2, M1-5A, and M1-5B in the areas closest to the Rezoning Area. R7-2 zoning does not allow hotels as-of-right. Although M1-5A and M1-5B districts permit hotel uses as-of-right at the second floor and above, both districts require special permits for hotel uses below the second floor (in buildings with lot coverage of more than 3,600 square feet in M1-5A districts, and in buildings of any lot coverage in M1-5B districts), which restricts hotel development in these areas. In addition, these districts permit a maximum FAR of 5.0 for commercial uses, and thus would not be as attractive for hotel

development as other zoning districts that permit as-of-right hotel use at a greater FAR (such as certain C4, C5, and C6 districts). There are very few vacant or underdeveloped (i.e., built to less than 50 percent of the allowable FAR) sites in the SoHo area that could accommodate a large hotel. For instance, based on 650 zoning square feet per room (including all common areas, amenities, and back of house operations), a hotel with more than 100 sleeping units would require 65,650 zoning square feet, which would require a lot area of at least 13,130 square feet in a 5.0 FAR zoning district. There are no vacant or underdeveloped sites of this size in the area. In addition, much of SoHo is part of the SoHo-Cast Iron Historic District and Extension (State/National Register-listed, National Historic Landmark, and New York City Historic District), which places additional restrictions on development. Nonetheless, because residential use is not permitted in the M1-5A and M1-5B districts, some hotel development may continue in these areas. As noted above, the SoHo neighborhood has already experienced hotel development in recent years and it is likely that some hotel development would continue with or without the Proposed Action.

North of the Rezoning Area in the West Village, the existing zoning is C2-6, M1-5, and an M1-5/R7X (MX-6) in the areas closest to the Rezoning Area. C2-6 districts are commercial overlay districts and while they allow hotel uses the maximum permitted FAR for commercial uses is only 2.0. The M1-5 and M1-5/R7X districts permit a maximum FAR of 5.0 for commercial uses, and thus would not be as attractive for hotel development as other zoning districts that permit as-of-right hotel use at a greater FAR. As in SoHo, there are very few vacant or underdeveloped sites in this area that could accommodate a large hotel. There are only 4 sites in this area that meet the criteria described above (13,130 square feet of lot area in a 5.0 FAR zoning district).[1] As with the SoHo neighborhood, there is the potential for hotel development in the M1-5 district in this area because residential uses are not allowed. However, based on the trends in recent hotel development in the surrounding neighborhoods, it is expected that hotel development would occur with or without the Proposed Action.

Overall, the Proposed Action would not affect the primary factors driving tourism in the city, nor would it adversely affect the hospitality industry by instituting controls on hotel development because hotels do not have unique locational needs that require them to locate within the Rezoning Area. The Proposed Action would not conflict with the city's goal of attracting 55 million visitors by 2015. Furthermore, the Proposed Action's controls on hotel development in the Rezoning Area may result only in limited potential for additional hotel development in adjacent neighborhoods, and thus would not result in extensive hotel development pressure outside the Rezoning Area.

2. Whether the Proposed Action would indirectly substantially reduce employment or impair viability of the hospitality and tourism industry in the city.

As described above, the Proposed Action would not have the potential to affect tourism throughout New York City, and hotels could continue to locate in both the Rezoning Area (if 100 sleeping units or less, after the residential development goal is met, or subject to a special permit) and in other areas throughout New York City. Furthermore, the Proposed Action would not result in significant indirect business displacement. Therefore, the Proposed Action would not indirectly substantially reduce employment in any industry or category of business, including the hospitality and tourism industry.

[1] The 4 sites are 318 West Houston Street, 388 Hudson Street, 575 Washington Street, and 584 Washington Street.

CONCLUSION

Based on the preliminary assessment above, the Proposed Action would not result in significant adverse impacts on a specific industry, and a detailed analysis of this issue is not warranted.

D. DETAILED ANALYSIS OF INDIRECT RESIDENTIAL DISPLACEMENT

Based on the criteria in the *CEQR Technical Manual*, the preliminary assessment for indirect residential displacement indicated the need for further analysis in order to determine whether the proposed project could result in significant adverse impacts due to indirect residential displacement. Therefore, a detailed analysis has been conducted. According to the *CEQR Technical Manual*, the approach to a detailed analysis of indirect residential displacement builds upon the information provided in the preliminary assessment, but requires more in-depth analysis of census information and may include field surveys. The objective of the detailed analysis is to determine whether the proposed project may introduce or accelerate a socioeconomic trend that may potentially displace a vulnerable population ("population at risk"). As explained in the preliminary assessment, these populations are identified as renters living in units not protected by rent stabilization, rent control, or other government regulations restricting rents, whose incomes are too low to afford increases in rents. In order to determine impacts, the detailed analysis characterizes existing conditions of residents and housing to identify potential populations at risk, assesses current and future socioeconomic trends in the area that may affect these populations, and examines the potential effects of the proposed project on those trends.

The ½-mile study area used in the preliminary assessment of indirect residential displacement was used in the detailed analysis. As in the preliminary assessment, the study area within the ½-mile perimeter was modified to include all census tracts for which at least 50 percent of the tract's residential units were within the perimeter (see **Figure 3-2**). The resulting ½-mile study area includes all of the Hudson Square neighborhood, as well as portions of the distinct neighborhoods of SoHo, Tribeca, the West Village, and smaller portions of Greenwich Village and Civic Center. While these neighborhoods are discussed in the text when relevant, the data are presented for the ½-mile study area, and broken out by census tract where appropriate.

EXISTING CONDITIONS

This section describes the population and housing characteristics of the ½-mile study area. It outlines trend data since 1999, and compares the characteristics of the ½-mile study area to Manhattan and New York City as a whole.

POPULATION

According to the U.S. Census, in 2010 the ½-mile study area contained 57,885 residents (see **Table 3-10**). The population of the study area increased by 3.7 percent between 2000 and 2010—a rate slightly higher than for Manhattan (3.2 percent) and New York City (2.1 percent). Population growth from 2000 to 2010 was notably high in three census tracts: 31, 33, and 39, where the increase in residents ranged from 36.5 percent to 47.7 percent. These three census tracts form the southern edge of the study area, extending from Centre Street in the east to the Hudson River waterfront in the west. They comprise the Tribeca neighborhood in the west and a

Table 3-10
Population: 2000 and 2010

Census Tract	2000	2010	Percentage Change
31	1,726	2,550	47.7
33	3,696	5,156	39.5
37	2,256[1]	2,447	8.5
39	4,292	5,860	36.5
43	4,884	4,270	-12.6
45	1,066	1,136	6.6
47	2,463	2,524	2.5
49	5,010	4,942	-1.4
55.01	4,907	4,204	-14.3
65	6,690	6,202	-7.3
67	5,645	5,461	-3.3
69	2,341	2,759	17.9
73	6,699	6,215	-7.2
75	4,165	4,159	-0.1
1/2-Mile Study Area Total	**55,840**	**57,885**	**3.7**
Manhattan	**1,537,195**	**1,585,873**	**3.2**
New York City	**8,008,278**	**8,175,133**	**2.1**

Notes: 1. Population presented is for Census Tracts 51 and 53 from 2000 Census, which combined to form Census Tract 37 for the 2010 census.
Sources: U.S. Department of Commerce, Bureau of the Census, 2000 and 2010 Census Summary File 1; AKRF, Inc.

portion of the Civic Center neighborhood in the east, both of which have been gaining population and transitioning from predominantly commercial or manufacturing to mixed-use neighborhoods.[1] In general, the largest population decreases were seen in the census tracts comprising the northeast section of the study area (55.01, 43, 65, and 73). These correspond to the neighborhoods of Greenwich Village and the West Village. Portions of these neighborhoods in Census Tracts 55.01, 65, and 73 also experienced notable increases in vacancy during this time, which is discussed below.

HOUSEHOLDS AND INCOME

According to 2006-2010 American Community Survey estimates, the ½-mile study area contained a total of 31,676 households in 2010, with an average household size of 1.73 persons per household; this is lower than the average household size for both Manhattan and New York City as a whole (see **Table 3-11**). In the ½-mile study area, the 1.73 average represents a slight increase in household size since 2000. Mirroring the increase in population, the three census tracts in the southern portion of the study area (31, 33, and 39) experienced the largest increases in numbers of new households.

[1] Community District Needs for Manhattan Community District 2.

Table 3-11
Household and Income Characteristics: 2000 and 2010

	Household Characteristics				Income Characteristics			
	Total Households		Average Household Size		Median Household Income[1]		Poverty Status[2]	
Census Tract	2000	2010	2000	2010	2000	2010	2000	2010
31	296	726	1.96	1.87	95,162	108,387	14.0	12.4
33	1,839	2,477	2.01	2.08	160,106	167,481	2.3	7.5
37	1,218[3]	1,442	1.85[4]	1.70	116,709[5]	84,998	4.6[6]	9.4
39	2,175	2,829	1.97	2.07	66,515	75,940	6.4	5.5
43	2,409	2,387	2.00	1.78	64,150	68,335	20.9	19.7
45	469	516	2.27	2.19	92,762	116,791	13.6	17.7
47	1,415	1,441	1.74	1.75	80,761	94,001	9.1	8.5
49	2,960	2,906	1.69	1.69	89,390	101,401	7.6	7.1
55.01	2,480	2,082	1.74	1.8	110,018	115,913	11.4	5.1
65	3,553	3,397	1.52	1.54	79,995	68,599	11.7	9.5
67	3,725	3,570	1.51	1.53	81,326	79,736	8.6	12.0
69	1,113	1,307	1.85	1.85	181,245	157,722	4.6	4.3
73	4,548	4,181	1.47	1.49	82,223	100,509	4.7	8.9
75	2,487	2,415	1.67	1.72	102,306	103,814	7.6	7.9
1/2-Mile Study Area	**30,687**	**31,676**	**1.70**	**1.73**	**93,735**	**98,484**	**8.9**	**9.4**
Manhattan	**738,644**	**763,846**	**2.00**	**1.99**	**66,440**	**67,449**	**20.0**	**17.8**
New York City	**3,021,588**	**3,109,784**	**2.59**	**2.57**	**54,097**	**52,203**	**21.3**	**19.1**

Notes: 1. Median household income is presented in constant 2011 dollars based on the U.S. Department of Labor Bureau of Labor Statistics' October 2011 Consumer Price Index for all Urban Consumers for New York-Northern New Jersey-Long Island. Median household income for the study area represents a weighted average of the median incomes of the census tracts in the study area.
2. Percent of population with incomes below established poverty level. The Census Bureau uses a set of money income thresholds that vary by family size and composition to detect who is in poverty. If the total income for a family or unrelated individual falls below the relevant poverty threshold, then the family or unrelated individual is classified as being "below the poverty level," The official poverty thresholds do not vary geographically, but they are updated annually for inflation using the Consumer Price Index.
3. Total households for Census Tracts 51 and 53.
4. Average household size for Census Tracts 51 and 53, based on total population and total number of households.
5. Weighted median household income for Census Tracts 51 and 53, based on median household incomes and total number of households.
6. Percent of population in below poverty level for Census Tracts 51 and 53.

Sources: U.S. Department of Commerce, Bureau of the Census, 2000 Census, Summary File 1 and Summary File 3; American Community Survey 2006-2010 5-Year Estimates; U.S. Department of Labor Bureau of Labor Statistics' Consumer Price Index for all Urban Consumers for New York-Northern New Jersey-Long Island.

In 2010, median household income in the ½-mile study area was $98,484—an increase of approximately 5.1 percent since 1999. This rate is higher than that in Manhattan during the same time (1.5 percent) and contrasts the decrease experienced in New York City as a whole (-3.5 percent). Census Tract 45, in SoHo, and Census Tract 73 in the West Village experienced the highest increases in median household income over this time.

The proportion of the population in the study area living below the poverty level has increased slightly, from 8.9 percent of the study area population in 2000 to 9.4 percent in 2010. Census Tract 33, located in the south of the study area in Tribeca, experienced an increase in median household income and also showed a substantial increase in the percentage of the population living below the poverty level.

HOUSING

The number of housing units in the ½-mile study area increased at a faster rate between 1999 and 2006-2010 than in Manhattan and New York City as a whole (see **Table 3-12**). Approximately 2,206 housing units were added to the study area during this time. Again, the increases in housing units in Census Tracts 31, 33, and 39 increased dramatically during this time as the neighborhood transitioned to mixed-use. In the past 10 to 15 years, residential development was accompanied by infrastructure and community facility developments such as the Battery Park City ball fields, the public library branch on Murray Street, P.S./I.S. 89, and streetscape improvements in Tribeca known as the Greening of Greenwich Street. Residential growth has continued since 2001, encouraged by financial incentives for developers.

Table 3-12
Housing Characteristics: 2000 and 2010

	Total Housing Units			Occupancy Status (Percent)				Tenure (Percent)			
				Occupied		Vacant		Owner		Renter	
Census Tract	2000	2010	Percent Change	2000	2010	2000	2010	2000	2010	2000	2010
31	493	856	73.6	63.3	84.8	36.7	15.2	54.8	19.8	45.2	80.2
33	1,961	2,743	39.9	92.8	90.3	7.2	9.7	42.7	40.3	57.3	59.7
37	1,324[1]	1,564	0.2	93.1[2]	92.2	6.9[3]	7.8	31.8[4]	42.3	68.2[5]	57.7
39	2,403	3,061	27.4	91.3	92.4	8.7	7.6	23.3	31.0	76.7	69.0
43	2,571	2,589	0.7	92.8	92.2	7.2	7.8	8.6	10.0	91.4	90.0
45	514	586	14.0	95.7	88.1	4.3	11.9	41.5	49.6	58.5	50.4
47	1,502	1,710	13.8	93.3	84.3	6.7	15.7	24.9	27.6	75.1	72.4
49	3,124	3,169	1.4	94.8	91.7	5.2	8.3	26.4	29.1	73.6	70.9
55.01	2,643	2,370	-10.3	93.8	87.8	6.2	12.2	24.6	27.0	75.4	73.0
65	3,732	3,708	-0.6	95.2	91.6	4.8	8.4	11.0	13.8	89.0	86.2
67	3,904	3,854	-1.3	95.4	92.6	4.6	7.4	14.5	18.8	85.5	81.2
69	1,126	1,426	26.6	97.0	91.7	3.0	8.3	16.5	32.4	83.5	67.6
73	4,760	4,563	-4.1	95.5	91.6	4.5	8.4	17.5	19.4	82.5	80.6
75	2,589	2,653	2.5	96.1	91.0	3.9	9.0	31.5	40.9	68.5	59.1
1/2-Mile Study Area	**32,646**	**34,852**	**6.8**	**94.0**	**90.9**	**6.0**	**9.1**	**21.8**	**24.4**	**78.2**	**75.6**
Manhattan	**798,144**	**847,090**	**6.1**	**92.5**	**90.2**	**7.5**	**9.8**	**20.1**	**22.8**	**79.9**	**77.2**
New York City	**3,200,912**	**3,371,062**	**5.3**	**94.4**	**92.2**	**5.6**	**7.8**	**30.2**	**31.0**	**69.8**	**69.0**

Notes: 1. Total housing units for Census Tracts 51 and 53.
2. Percent of housing units occupied for Census Tracts 51 and 53.
3. Percent of housing units vacant for Census Tracts 51 and 53.
4. Percent of housing units owner-occupied for Census Tracts 51 and 53.
5. Percent of housing units renter-occupied for Census Tracts 51 and 53.

Sources: U.S. Department of Commerce, Bureau of the Census, 2000 Census, Summary File 3; American Community Survey 2006-2010 5-Year Estimates.

Census Tract 69, located directly north of the Rezoning Area in the West Village, also experienced an increase in total housing units.

The study area is similar to Manhattan and New York City in terms of basic trends in owner occupancy and vacancy rates. The vacancy rate in the study area was 9.1 percent in 2010, compared with 9.8 percent in Manhattan and 7.8 percent in New York City. In all three areas, this rate has increased since 2000. Of the occupied housing units in the study area, 24.4 percent were owner-occupied and 75.6 percent were renter-occupied. Since 1999, there has been a slight shift in the study area towards home ownership over rental. This shift was also experienced, to a lesser extent, in both Manhattan and New York City.

In the study area, renters are most prevalent in Census Tract 43 and 65, which are both located in the eastern portion of the study area. Census Tract 43 is the northeast portion of SoHo, while

Census Tract 65 is in Greenwich Village, near New York University campus. Homeownership is highest in Census Tract 45 and 37. Census Tract 45 is located in the southeast portion of the study area, in SoHo. Census Tract 37 includes the Rezoning Area as well as portions of Hudson Square west of the Rezoning Area along the waterfront.

According to ACS data for 2006-2010, the median home value in the study area was $933,719, slightly higher than the median in Manhattan ($856,675) and approximately 1.75 times that of New York City ($533,501) (see **Table 3-13**). As shown in **Table 3-13**, ACS data for median home value is incomplete for the census tracts in the study area. However, for most of the census tracts for which there is data for 2006-2010, median home values increased at the same or higher rates than in Manhattan and New York City. The sample of data that is available shows prices that are largely similar throughout the study area in 2010, ranging from $813,177 in Census Tract 55.01 in Greenwich Village, to $989,972 in Census Tract 75 in the West Village.

Table 3-13
Median Home Value and Contract Rent: 2000 and 2010

	Median Home Value			Median Contract Rent[1]		
Census Tract	2000	2010[2]	Percent Change	2000	2010	Percent Change
31	$517,196	$980,421	89.6	$2,259	N/A	N/A
33	$1,121,839	N/A	N/A	$2,827	$2,792	-1.2
37	$588,443[3]	$938,895	59.6	$1,537	$2,024	31.7
39	$1,215,926	N/A	N/A	$1,110	$1,705	53.6
43	$766,117	N/A	N/A	$1,047	$1,937	85.0
45	$1,142,323	N/A	N/A	$828	$1,055	27.5
47	$1,412,719	N/A	N/A	$1,447	$2,166	49.7
49	$1,228,358	N/A	N/A	$1,311	$2,537	93.5
55.01	$431,868	$813,177	88.3	$1,591	$2,113	32.9
65	$595,884	N/A	N/A	$1,531	$2,352	53.6
67	$538,669	$973,258	80.7	$1,399	$2,701	93.1
69	$779,961	N/A	N/A	$2,827	N/A	N/A
73	$564,522	$917,406	62.5	$1,380	$2,335	69.2
75	$691,243	$989,972	43.2	$1,735	$2,653	52.9
1/2-Mile Study Area	**$835,277**	**$933,719**	**11.8**	**$1,513**	**$2,321**	**53.3**
Manhattan	**$510,132**	**$856,675**	**67.9**	**$1,045**	**$1,625**	**55.4**
New York City	**$312,493**	**$533,501**	**70.7**	**$913**	**$1,356**	**48.6**

Notes: 1. Median contract rent for study area was based on weighted median contract rent for all census tracts for which data was available, using all renter-occupied units for weights (not specified renter-occupied housing units paying cash rent).
2. According to the Census Bureau, statistics may be missing from an ACS table because there are too few cases to produce a reliable estimate.
3. Based on the weighted median home value for Census Tracts 51 and 53, using owner-occupied units for weights.
Sources: U.S. Department of Commerce, Bureau of the Census, 2000 Census, Summary File 3; American Community Survey 2006-2010 5-Year Estimates.

The median contract rent in the ½-mile study area was $2,321, an increase of 53.5 percent since 2000. This increase is similar to that experienced in Manhattan (55.4 percent) and New York City (48.6 percent) during the same time period, though the median rent in the study area is substantially higher than that for both Manhattan and New York City. Median contract rent increased most notably in Census Tract 49 and 43, which correspond to SoHo, and Census Tract 67, which is just north of the Rezoning Area covering parts of Hudson Square and the West Village.

RECENT RESIDENTIAL TRENDS

Median home value data reported in the census and ACS are based on respondents' estimates of how much their properties would sell for if they were for sale, and the median contract rent data include data for rent-regulated and rent-controlled apartments. Therefore, both of these data sets do not always accurately reflect true market rental rates and sale prices. In order to develop a more accurate picture of the current residential real estate market in the ½-mile study area, data from the census and ACS have been supplemented with information from local brokerage firms and real estate websites.

Reports from local brokerage firms and websites indicate that average sales prices in the neighborhoods overlapping the ½-mile study area are higher than averages for Manhattan as a whole. The average sales prices for coops and condos in Tribeca/SoHo (the area bounded by Houston Street, Vesey Street, Broadway, and the Hudson River) have increased by more than 60 percent since 2001. The average sales price in those neighborhoods in 2010 was approximately $2.20 million for a coop and $2.61 million for a condo. The average price for a coop in Greenwich Village (the area bounded by 14th Street, Houston Street, Broadway, and the Hudson River) is approximately $1.05 million, lower than the average in Tribeca and SoHo, but increasing at a faster pace (Greenwich Village coop prices rose by 77 percent between 2001 and 2010). Condos in Greenwich Village averaged $2.81 million and increased by a dramatic 245 percent over the last decade. With the exception of coops in Greenwich Village, these prices were higher than the corresponding averages for coops and condos in Manhattan as a whole, which averaged $1.46 million in 2010.[1]

A survey of market-rate rentals in SoHo, Tribeca, Greenwich Village, the West Village, and Civic Center in 2010 and 2011 found that average rental rates for one-bedroom units range from $3,130 to $4,700 per month, average rental rates for two-bedroom units range from $4,260 to $8,150 per month, and average rental rates for three-bedroom units range from $5,530 to $12,990 per month. These are also higher than the corresponding averages for Manhattan, which range from $2,448 to $3,150 per month for a one-bedroom unit and from $3,395 to $4,790 per month for a two-bedroom unit.[2]

Though median incomes, rental rates, and property values in this area increased from 2000 to 2010, all of these measures were already higher in the study area in 2000 than in Manhattan and New York City. This indicates that the influx of higher-income residents in the area is not an acceleration trend in the past decade, but is a continuation of changes initiated before 2000. As described in detail in Chapter 2, "Land Use, Zoning, and Public Policy," parts of the study area in SoHo, Tribeca, and Hudson Square have been transitioning from manufacturing and commercial districts to mixed-use neighborhoods. Loft conversions, unless protected under Joint Living-Work Quarters for Artists (JLWQAs) conversions, provide spacious real estate that has attracted higher-income residents to these areas. Recent market-rate residential developments include the 102-unit tower at 505 Greenwich Street, the 40-unit Urban Glass House at 330 Spring Street, the 6-story luxury rental building at 32 Laight Street in Tribeca, the 20-unit luxury rental Zinc building at 475 Greenwich Street, the 9-unit condo building at 300 Spring Street, and the 64-unit condo building at 255 Hudson Street.

[1] Average sales prices were obtained from Prudential Douglas Elliman Real Estate, The Douglas Elliman Report: Manhattan 2001-2010.

[2] Average rental rates were obtained from CitiHabitats, the MNS Manhattan Rental Market Report, and searches for apartment listings on Streeteasy.com conducted on December 21, 2011.

RENT-REGULATED AND NON-REGULATED HOUSING

The objective of a detailed analysis of indirect residential displacement is to characterize existing conditions of residents and housing in order to identify populations that may be at risk of displacement. According to the *CEQR Technical Manual*, at-risk populations are defined as people living in privately held units that are not protected by rent regulations, whose incomes or poverty status indicates that they could not afford to pay substantial rent increases. This section describes existing conditions in the study area in terms of the status (rent-regulated or non-regulated) of housing stock in the ½-mile study area.

As explained above, rental rates in New York City are controlled through several mechanisms. These include rent regulation—either rent control or rent stabilization, direct public subsidies to landlords, and public ownership. In New York City, the rent control program applies to apartments in residential buildings that contain three or more units and were constructed before February 1947. Only apartments in which the tenant has lived continuously since before July 1, 1971 may fall under rent control. When a rent-control apartment becomes vacant, it either becomes rent stabilized or, if it is in a building with fewer than six units, it is removed from regulation. Rent stabilization limits the annual rate at which owners may increase rents. In New York City, rent stabilization generally applies to apartments in buildings containing six or more units that were built between February 1, 1947 and January 1, 1974. An apartment is no longer protected by rent stabilization if it becomes vacant and could be offered at a legal regulated rent of $2,000 or more, or if the legal rent is $2,000 and the apartment is occupied by tenants whose total annual household income exceeded $175,000 for each of the past two years.[1]

Other types of housing that are rent-regulated include Section 8 housing, public housing, Mitchell-Lama developments, and other HPD-owned housing. The ½-mile study area does not contain any public housing units but includes one Mitchell-Lama development: The 175-unit Washington Square Southeast Apartments which is located on LaGuardia Place between Bleecker Street and West Houston Street, in Census Tract 55.01. As described below, the study area also includes a number of Interim Multiple Dwelling buildings that are rent-regulated under New York City's Multiple Dwelling Law, or "Loft Law."

In accordance with the *CEQR Technical Manual*, the number of unregulated units in the study area was estimated based on Census data and data obtained from the New York City Department of Finance's RPAD database. **Table 3-14** shows the calculations and the estimated count of unregulated units in the study area. As shown in the table, the estimate was based on the number of units in the study area that met the following criteria and were therefore assumed to be unprotected from rent increases:

- The units are in buildings that are privately owned (i.e., not public housing units);
- The units are in buildings not old enough to be subject to rent control or rent stabilization; and/or
- The units are in buildings too small to be subject to rent control or rent stabilization.

Based on these criteria, the ½-mile study area contains approximately 28,456 renter-occupied units, of which approximately 7,413 are currently unprotected from rent increases. This number of unprotected units represents approximately 26.1 percent of the total renter-occupied units and 19.5 percent of all residential units in the study area.

[1] Rent regulations obtained from the New York State Division of Housing and Community Renewal, Office of Rent Administration and the New York City Rent Guidelines Board.

Table 3-14
Estimated Unprotected Rental Housing Units in ½-Mile Study Area

Row #	Units Identified	Components	Total in ½-Mile Study Area	Notes
1	**Base of Unprotected Units: Units in Buildings with 1-5 Units**	Number of units in buildings with 1 to 4 units	2,573	Derived from RPAD
2		Number of renter-occupied units in buildings with 1 to 4 units	1,652	(Row 1) * (Renter occupancy rate for buildings with 1 to 4 units)
3		Number of units in buildings with 5 units	880	Derived from RPAD
4		Number of renter-occupied units in buildings with 5 units	517	(Row 3) * (Renter occupancy rate for buildings with 5 to 9 units)
5		**Total number of rental units in buildings with 1-5 units**	**2,169**	(Row 2) + (Row 4)
6	**Additional Unprotected Units: Units in Buildings Built After January 1, 1974**	Total units (renter- and owner-occupied) built between 1974 and 2011	7,488	Derived from RPAD
7		Total units (renter- and owner-occupied) built between 1974 and 2011 and in buildings with 5 units or less	105	Derived from RPAD
8		Total units (owner & renter-occupied) in buildings with more than 5 units, built after January 1, 1974	7,383	(Row 6) - (Row 7) This number was derived by taking the total number of units built between 1974 and 2011 and subtracting out those in buildings with 5 or fewer units to avoid double counting.
9		**Number of rental units in buildings with more than 5 units, built after January 1, 1974**	**5,244**	(Row 8) * (renter occupancy rate for buildings with 5 or more units) This row filters out owner-occupied units by applying the renter-occupancy rate for each census tract.
10	**Total Unprotected Rental Units**	Total number of residential units	37,968	Derived from RPAD
11		Total number of renter-occupied units	28,456	Row 10 * (renter occupancy rate for all units)
12		**Total number of renter-occupied units that are unprotected**	**7,413**	**(Row 5) + (Row 9)**
13		**Percent of renter-occupied units that are unprotected**	**26.1%**	**(Row 12) / (Row 11)**
14		**Percent of all housing units that are renter-occupied and unprotected**	**19.5%**	**(Row 12) / (Row 10)**

Sources: New York City Department of Finance Real Property Assessment Data (RPAD) 2011 database; 2006-2010 American Community Survey 5-Year Estimates, AKRF, Inc.

According to this methodology, the census tract in which the Rezoning Area is located (37) contains a relatively high percentage of renter-occupied and total housing units that are renter-occupied and unprotected. This is due to recent residential development in the study area including several notable residential developments such as the 7-story, 9-unit condo building at 300 Spring Street, the 12-story, 64-unit condo building at 255 Hudson Street, and the 12-story, 40-unit Urban Glass House building at 330 Spring Street.

Census Tract 39 contains the most renter-occupied, unprotected units (1,959). Census Tracts 31, 33, and 39 have the three highest percentages of renter-occupied units that are unprotected. This is likely due to the fact that these census tracts have recently become more residential and the number

of total housing units has increased substantially since 2000. In addition, median household income in these census tracts has also increased substantially, due in large part to recent luxury residential projects such as the 6-story luxury rental building at 32 Laight Street in Tribeca, and the 20-unit, luxury rental Zinc building located at 475 Greenwich Street, also in Tribeca.

Census Tract 45 has the lowest number of unprotected rental units, with 74. However, this census tract also contains the least number of total and renter-occupied units in the study area. As discussed below, this census tract is located in the SoHo-Cast Iron Historic District, and new residential development is restricted in this area.

POPULATION POTENTIALLY AT RISK OF INDIRECT DISPLACEMENT

To determine whether a population potentially at risk of indirect displacement exists in an area, the *CEQR Technical Manual* recommends analyzing the average household incomes of renter-occupied households in buildings with five or fewer units. According to the *CEQR Technical Manual* it can conservatively be assumed that units in these buildings are not subject to rent control or rent stabilization. Population in the study area potentially at risk was therefore identified by comparing the average incomes of renters in buildings with five or fewer units to average incomes of renters in buildings with more than five units and renters in Manhattan as a whole.

This analysis uses a special tabulation of census data that gives aggregate household income by tenure by units in the building. Data from the 2000 U.S. Census were used for this portion of the analysis as this tabulation has not yet been released for the 2010 Census and this tabulation is not available from ACS 5-Year Estimates. The following steps were used to identify population at risk:

1. Census tract-level data were used to determine the average household income of renters in small buildings (buildings with 1 to 4 units). These buildings are generally not subject to rent regulation laws. As this tabulation of data was not available for the 2010 U.S. Census or the ACS 5-year estimates, Census 2000 data was used. In addition, average incomes were used instead of median incomes because median income data is not available by the size of building.
2. For each census tract, the average household income for renters in small buildings was compared with the average household income for renters in large buildings (buildings with 5 or more units) to determine where income disparities exist between renters in small and large buildings. This information was used to gain a better understanding of the income distribution across housing types and census tracts. Again, average incomes were used in place of median incomes for this analysis because census data on median household income by size of building is not publicly available.
3. For each census tract, the average household income for renters in small buildings was compared with the average household income for all renters in Manhattan in 1999 ($65,874). If the average for small buildings was lower than the boroughwide average for all renters, the census tract was identified as having a potentially at-risk population.
4. For each census tract identified as having a potentially at-risk population, the number of households in unregulated units was estimated using the methodology described below.

In general, if the average incomes in unregulated (small) buildings are low compared with average incomes in regulated renter-occupied buildings and in renter-occupied buildings in Manhattan as a whole, then the study area might contain a significant population at risk. Given the recent increases in rental rates in the area, especially in the southern portion of the study area, it is likely that the

average income of renters in unregulated, market-rate units in the study area would, in general, be higher than the average income for renters in regulated units in Manhattan.

The census data are largely consistent with this prediction. As shown in **Table 3-15**, this is true for all but two census tracts in the ½-mile study area. It can be inferred from these data that higher-income households moving into the study area have been concentrated in unregulated housing units, where there are no controls on rent increases and which therefore were most likely to turn over in the event of a substantial rent increase in a unit occupied by a tenant with an income lower than would allow for the payment of market-rate rent. Thus in the existing condition, unregulated units in the Rezoning Area are largely turning over to higher-income households.

Table 3-15
Average Household Income for Renters in Small Buildings, Large Buildings, and All Renter-Occupied Buildings in Manhattan, 1999[1]

Census Tract	Average Household Income in Small Buildings[2]	Average Household Income in Large Buildings[3]	Difference between Small and Large Buildings	Difference between small buildings and Borough Average[4]
31	$127,145	$94,125	$33,020	$61,271
33	$204,162	$240,657	$(36,496)	$138,288
39	$241,413	$74,194	$167,219	$175,539
43	$135,185	$83,894	$51,291	$69,311
45	***$35,637***	***$157,010***	***$(121,373)***	***$(30,237)***
47	$172,934	$91,849	$81,085	$107,060
49	***$27,713***	***$129,470***	***$(101,757)***	***$(38,161)***
51	$205,285	$104,204	$101,081	$139,411
53	$116,836	$110,174	$6,662	$50,962
55.01	$147,488	$147,303	$184	$81,614
65	$150,204	$97,135	$53,069	$84,330
67	$207,573	$93,948	$113,625	$141,699
69	$236,438	$234,070	$2,367	$170,564
73	$255,496	$109,199	$146,297	$189,622
75	$179,101	$119,230	$59,871	$113,227

Notes:
1. All dollars presented in constant 2011 dollars using the U.S. Department of Labor Bureau of Labor Statistics' October 2011 Consumer Price Index for all Urban Consumers for New York-Northern New Jersey-Long Island.
2. The average household income for renters in small buildings is based on renter-occupied units in buildings with one to four units.
3. The average household income for renters in large buildings is based on renter-occupied units in buildings with five or more units.
4. This number represents the difference between the average household income for renters in small buildings and the average household income for all renters in Manhattan in 1999 ($65,874).

Sources: U.S. Census Bureau, 2000 Census, Summary File 3.

Nonetheless, there are two census tracts in the ½-mile study area where the average income for renters in small buildings is lower than the average income for Manhattan renters: Census Tract 45 and Census Tract 49 (shown in italics and bold in **Table 3-15)**.

Estimated 2012 Population At-Risk of Indirect Displacement

As stated in the *CEQR Technical Manual*, if the analysis described above indicates a low-income population in unregulated rental housing, additional analysis may be necessary to determine whether conditions in the study area, and consequently, the size of the population at risk, have changed since the date of the data used in the analysis. Therefore, the Census-based analysis provided above is supplemented with a discussion of recent trends to determine whether a higher-income population has been introduced in areas with a vulnerable population. To estimate the 2012 population at risk of indirect displacement, this analysis considers major alterations of existing buildings, since renovated buildings are likely to have been re-occupied

by wealthier households, as well as real estate listings, which indicate that certain buildings already contain more affluent populations paying market-rate rent. From the base estimate of unprotected units in census tracts 45 and 49,[1] the following were excluded:

- Buildings containing units listed as Interim Multiple Dwellings that are protected under the Loft Law;
- Buildings containing units listed in the DHCR database of rent-stabilized units; and
- Buildings containing units that have been listed with market rate sales prices or rental rates in the last five years.

These steps taken to refine the estimate of unprotected units are described below.

Real estate conditions in SoHo have been consistently changing since New York City passed the Multiple Dwelling Law (also called the "Loft Law") in 1982. The Loft Law allows for the conversion of commercial and industrial lofts into residential space, and regulates rent increases during the conversion.[2] Of the base number of unprotected units in the two census tracts, there are an estimated 84 residential units in 20 buildings that are certified as Interim Multiple Dwellings and are protected under the Loft Law. The units in Interim Multiple Dwelling buildings were therefore excluded from the estimates of unprotected units for these census tracts. Likewise, units subject to rent stabilization are not considered unprotected units. DHCR maintains an inventory of rent-stabilized units. According to March 2008 data from DHCR on rent-stabilized units, there are a total of 53 units in rent-stabilized buildings in these two tracts. Buildings containing rent-stabilized units were excluded from the estimates of unprotected units for these census tracts.

Since 1999, many residential units have been re-occupied by more affluent households as the neighborhood has become increasingly desirable. As it is likely that the income profile in these two census tracts has changed since data were collected for the 2000 Census, these data were supplemented with internet searches of sales and rental listings for the addresses containing the remaining unprotected units. In the two census tracts, 81 buildings were either listed for market rate sale prices or contained units that were listed with market rate rents in the last five years. The sale prices and rents listed for these 81 units were consistent with the market rate real estate data presented above in *Recent Residential Trends*. These prices indicate that census tracts 45 and 49 contain unregulated units that were recently sold or rented for prices that often exceed those for Manhattan as a whole. It was assumed that if rental, coop, or condo units in these buildings were listed at market rates, it is likely that the units in those buildings have turned over to a more affluent population paying market rate rents, or are in the process of doing so, independent of the Proposed Action. In addition, any units in these buildings that are owner-occupied would not contain a population at risk of displacement. Therefore, buildings with market rate sales and rental listings were also excluded from the estimates of unprotected units in these census tracts.

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[1] The base estimate of unprotected units includes units in buildings with 1 to 5 units and units in buildings constructed after 1974 in these census tracts. This estimate does not apply a renter occupancy rate and therefore conservatively includes units that may be owner- or renter-occupied.

[2] New York City's 1982 Multiple Dwelling Law (also called the "Loft Law") applies to commercial, manufacturing, and warehouse buildings that have been residentially occupied by three or more families since April 1, 1980 but lack certificates of occupancy. The Loft Law was established to regulate the legal conversion of these spaces to residential use, and as such protects the rights of tenants to occupy them and regulates the rent adjustments during the conversion period.

As described above, many of the residential units in these two census tracts were converted at some point after 1982 from industrial and commercial uses to residential use. The original conversions were reserved for artists-in-residence, who may have had lower incomes and made minimal alterations to the former industrial spaces. Since those conversions, the neighborhood has seen an increase in commercial activity, becoming a destination for art galleries, high end retail, restaurants, and bars. As the neighborhood has become more desirable, property values have increased, creating the incentive for owners of large loft spaces to sell for higher prices. As a result, many lofts have turned over to wealthier households who may still qualify for JLWQAs. To identify where further turnover has occurred, NYC Department of Buildings (DOB) data on permits for major alterations were collected to gain a clearer understanding of the conditions of the remaining 28 buildings with 72 unprotected units in census tracts 45 and 49. Permits for major alterations—defined as those that result in the issuance of a new Certificate of Occupancy (i.e., Alteration 1 permits)—that have been filed since 2000 are likely to signify that turnover to higher income households has already occurred. However, because very few of the remaining units underwent major alterations since the 2000, these units were conservatively included in the estimate of unprotected units potentially housing a population at risk of displacement. Field surveys were conducted in May 2012 to examine the 28 buildings for which no units were listed at market-rates.

The remaining 28 buildings are widely dispersed throughout census tracts 45 and 49. Census tract 45 is roughly bounded by Spring Street, Centre Street, Canal Street and Broadway. Census tract 49 is roughly bounded by West Houston Street, Broadway, Broome Street, Spring Street, and MacDougal Street (see **Figure 3-2**). The buildings contain between one and five units and consist of 10 apartment buildings, 11 multiple-unit loft buildings containing ground floor retail, and seven single-unit loft or townhouse buildings. All but two of the 28 buildings were built before 1930, and three-quarters of the buildings are located within the SoHo-Cast Iron Historic District or the SoHo-Cast Iron Historic District Extension, which cover most of these two tracts.

The 10 apartment buildings are generally concentrated outside of the historic districts along Prince Street between Sullivan Street and MacDougal Street, and on the corners within the historic districts. These buildings are between three- and four-stories and contain between two and four residential units. They were all built in 1899 or 1900, and some contain retail on the ground floors.

The multiple-unit loft buildings are generally located east of West Broadway within the SoHo-Cast Iron Historic District and the SoHo-Cast Iron Historic District Extension. These are larger, five- and six-story buildings that reflect the cast iron style of former industrial buildings in the historic districts. These buildings contain ground floor retail and between two and five units, and many were altered in the 1980s.

These remaining 28 buildings likely contain a mix of owner-occupied and renter-occupied units, and any units that are owner-occupied units would not contain a population at-risk of displacement. Moreover, as noted above under *Recent Residential Trends*, loft conversions in SoHo typically provide spacious real estate that has attracted higher-income residents to these areas. Therefore, it is likely that a portion of the loft buildings house a more affluent population that is not vulnerable to displacement.

While field surveys revealed that some of these remaining buildings may no longer contain residential units or may contain more affluent residents, this analysis conservatively includes all of these remaining units in the estimate of the potentially at-risk population (see **Table 3-16**). It should be noted that this estimate also conservatively includes buildings that may be owner-occupied, and therefore would not contain a population at-risk of displacement.

Table 3-16
Estimated 2012 Unprotected Housing Units in Census Tracts with Potentially At-Risk Population

Row	Units Identified	Census Tract 45	Census Tract 49	Total	Notes
A	Total Residential Units	554	3,260	**3,814**	Derived from RPAD
B	Base for Unprotected Units	114	535	**649**	Number of units in buildings with 1 to 5 units or in buildings constructed after 1974. [1]
C	Units in Stabilized Buildings	13	40	**53**	NYS DHCR data on rent stabilized units
D	Units in Buildings with IMD Units	8	76	**84**	From NYC Loft Board's list of IMD Loft Buildings
E	Units in Buildings with Market-Rate Listings	88	352	**440**	Online real estate listings
F	**Estimated 2012 Unprotected Units with Potentially At-Risk Population**	**5**	**67**	**72**	**(Row B) - (Row C) - (Row D) - (Row E)**
G	**Estimated 2012 Unprotected Units as Percent of Total Residential Units**	**0.9%**	**2.1%**	**1.9%**	**(Row F) / (Row A)**

Notes: 1. Totals do not reflect the estimates that contributed to the study area total in **Table 3-13** because this estimate does not apply a renter occupancy rate and therefore conservatively includes units that may be owner- or renter-occupied.

Sources: New York City Department of Finance Real Property Assessment Data (RPAD) 2011 database; March 2008 data from the New York State Department of Homes and Community Renewal (DHCR), compiled by the New York City Department of City Planning (DCP) Housing, Economic, and Infrastructure Planning (HEIP) Division; New York City Loft Board IMD Loft Buildings in Manhattan as of August, 2010; Streeteasy.com; AKRF, Inc.

As indicated by the rental and sales listings, the major alternation permits, and confirmed by field surveys, there are very few residential units in census tracts 45 and 49 that are likely to contain a population vulnerable to indirect displacement. Because the estimated number of unprotected units in census tracts 45 and 49 represents such a small proportion of the total number of residential units, it is likely that the changes discussed above have resulted in the migration of higher income households into unprotected units. Therefore these census tracts were removed from the estimated 2012 population potentially at risk of indirect displacement.

CONCLUSION: POPULATION AT RISK

The ½-mile study area contains two census tracts that meet the first criteria for identifying a potentially vulnerable population. In Census Tracts 45 and 49, the average income of renters in small (unprotected) buildings is lower than the average income of renters in Manhattan. However, the real estate trends described suggest that units in the study area that are unprotected have been turning over to a more affluent population for the last decade.

Based on the methodology described above, it is likely that the income profiles of census tracts 45 and 49 have changed since the 2000 Census, resulting in a population of wealthier residents. As only 72 units were identified as potentially housing a population vulnerable to indirect residential displacement, this analysis concludes that the study area is not likely to contain a substantial population at risk of indirect residential displacement. Therefore, the Proposed Action would not result in any significant adverse impacts due to indirect residential displacement. ✷