Chapter 3: Socioeconomic Conditions

A. INTRODUCTION

This chapter describes the socioeconomic changes that could result from the Proposed Actions and assesses whether such changes could result in significant adverse impacts. As described in the 2020 *City Environmental Quality Review (CEQR) Technical Manual*, the socioeconomic character of an area includes its population, housing, and economic activity. Socioeconomic changes may occur when a project directly or indirectly changes any of these elements. The Proposed Actions, by design, are intended to facilitate change in Gowanus. The objective of the CEQR analysis is to disclose whether any of these changes would have the potential to result in significant adverse socioeconomic impacts when compared with what could happen in the future without the Proposed Actions.

The *CEQR Technical Manual* guidelines recommend examination of five ways in which a project could alter socioeconomic conditions: (1) direct residential displacement; (2) direct business displacement; (3) indirect residential displacement; (4) indirect business displacement; and (5) adverse effects on specific industries.

As detailed in Section B, "Methodology," the Proposed Actions could directly displace an estimated 20 residents, which is well below the 500-person threshold warranting assessment. However, projected development as a result of the Proposed Actions could directly displace an estimated 600 employees, which is above the threshold warranting assessment of potential significant adverse impacts due to direct business displacement. In addition, the Proposed Actions would result in residential development in excess of 200 units, and commercial development in excess of 200,000 square feet (sf); therefore, assessments of indirect residential and business displacement are warranted. Finally, given that the Proposed Actions may directly and/or indirectly displace businesses, an assessment of potential adverse effects on specific industries is warranted.

PRINCIPAL CONCLUSIONS

DIRECT RESIDENTIAL DISPLACEMENT

The screening-level assessment found that the Proposed Actions would not result in significant adverse impacts due to direct residential displacement. Under the Reasonable Worst-Case Development Scenario (RWCDS), the Proposed Actions could directly displace an estimated 20 residents living in nine dwelling units (DUs) by 2035.[1] The nine DUs that would be displaced are located on Projected Development Sites 4, 5, 28, 45, and 55.

[1] The estimate of potential direct displacement associated with the RWCDS assumes that approximately 57 DUs could be displaced from projected development sites in the future without the Proposed Actions (the No Action condition). The residents that are assumed to be potentially displaced in the No Action

According to the *CEQR Technical Manual*, direct displacement of fewer than 500 residents would not typically be expected to substantially alter the socioeconomic character of a neighborhood. The potentially displaced residents represent less than one-hundredth of one percent of the estimated 141,554 residents within the socioeconomic study area;[2] therefore, this potential direct displacement would not substantially alter the socioeconomic character of the neighborhood.

DIRECT BUSINESS DISPLACEMENT

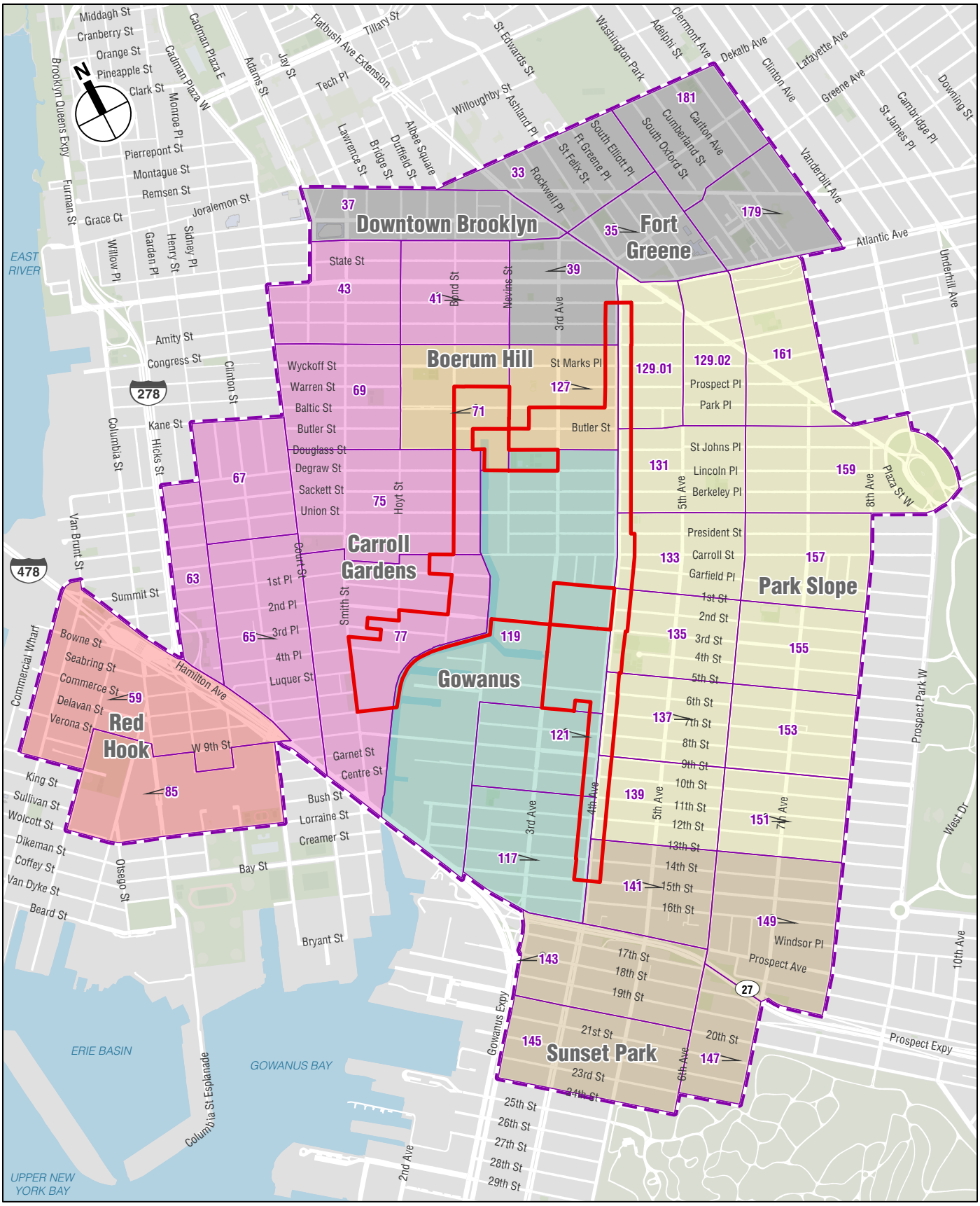
A preliminary assessment found that the Proposed Actions would not result in significant adverse impacts due to direct business displacement. Under the RWCDS, projected development generated by the Proposed Actions by the 2035 Build Year could directly displace an estimated 45 businesses on projected development sites and an estimated 600 jobs associated with those businesses. The 45 potentially displaced businesses include: five Construction sector businesses; five Manufacturing sector businesses; five Wholesale Trade sector businesses; four Retail Trade sector businesses; four Transportation and Warehousing sector businesses; four Information sector businesses; one Administrative and Support and Waste Management and Remediation Services sector business; three Arts, Entertainment, and Recreation sector businesses; two Accommodation and Food Services sector businesses; and twelve "Other Services (except Public Administration)" sector businesses. The 45 businesses do not represent a majority of study area businesses or employment for any given industry sector. While all businesses contribute to neighborhood character and provide value to the City's economy, there are alternative sources of goods, services, and employment provided within the socioeconomic study area; therefore, the potential displacement of these businesses does not constitute a significant adverse impact on the socioeconomic conditions of the area as defined by CEQR. None of the potentially displaced businesses are within a category of business that is the subject of regulations or publicly adopted plans to preserve, enhance, or otherwise protect it. The Proposed Actions would result in the incremental development within the Project Area of 8,495 DUs; 269,638 sf of retail space; 561,756 sf of office space; 251,413 sf of community facility space; and a loss of 316,919 sf of industrial space. Comparable services and employment opportunities to those provided by directly displaced commercial businesses are expected to be provided as part of the development resulting from the Proposed Actions.

INDIRECT RESIDENTIAL DISPLACEMENT

A detailed assessment found that the Proposed Actions would not result in any significant adverse impacts due to indirect residential displacement. The Proposed Actions would result in an increment of 8,495 DUs above the No Action condition and a net increase of approximately 18,603 residents. The preliminary assessment found that for most of the study area the average household income of the new population in the With Action condition would be lower than the average

condition are not considered displaced in the future with the Proposed Actions (the With Action condition). For the purposes of the CEQR analysis displacement that could be expected to occur absent the Proposed Actions is not attributed to the Proposed Actions.

[2] The socioeconomic study area is the area within which the Proposed Actions could directly or indirectly affect socioeconomic conditions. As detailed under "Study Area Definition" in Section B, the socioeconomic study area captures an approximately ½-mile area surrounding the Project Area, including portions of Carroll Gardens, Park Slope, Boerum Hill, Downtown Brooklyn, Fort Greene, Sunset Park, South Slope, and Gowanus (see **Figure 3-1**).



Socioeconomic Study Area

GOWANUS NEIGHBORHOOD REZONING AND RELATED ACTIONS

Figure 3-1

household income of the existing population. However, for two subareas more analysis was required to determine the potential for significant adverse impacts. The detailed assessment focused on Subarea A[3], roughly bounded by Douglass Street/St. John's Place, 4th Avenue, the Prospect Expressway, and the Gowanus Canal; and Subarea B[4] roughly bounded by Wyckoff Street/St. Marks Place, 4th Avenue, Douglass Street, and Hoyt Street. These subareas overlap with the Project Area and have lower average household incomes than other parts of the study area. The analysis found that while the Proposed Actions would add a substantial new population with potentially higher incomes to both subareas, in Subarea A the mixed-income composition of the new population would not cause substantial changes in the real estate market that would lead to indirect displacement of all vulnerable renters in unprotected units. Further, the Proposed Actions would be expected to introduce more affordable housing than in the future without the Proposed Actions, potentially slowing the existing trend of increasing rents and maintaining a more diverse mix of incomes within the subarea as compared to the No Action condition. In Subarea B, the analysis found that most low income renters in the subarea reside in protected rental units and would not be vulnerable to indirect residential displacement as a result of the Proposed Actions.

INDIRECT BUSINESS DISPLACEMENT

A preliminary assessment found that the Proposed Actions would not result in significant adverse impacts due to indirect business displacement. Concerns under CEQR are whether the Proposed Actions could lead to changes in local market conditions that could lead to increases in commercial property values and rents within the study area, making it difficult for some categories of businesses to remain in the area, and whether the Proposed Actions could lead to displacement of a use type that directly supports businesses in the study area or brings people to the area that forms a customer base for local businesses.

The Project Area and broader study area have well-established residential, retail, office, and manufacturing markets such that the Proposed Actions would not introduce new economic activities to the projected development sites or to the study area or add to a concentration of a particular sector of the local economy enough to significantly alter or accelerate existing economic patterns. The Proposed Actions would add an increment above the No Action Condition of 8,495 DUs, providing significant amounts of new housing for current and future residents, including in areas where residential development is not currently permitted. This would introduce a new residential population, but the demand for goods and services from existing residents has already established a strong commercial market such that the influence of new residents would not markedly increase commercial property values and rents throughout the study area. In addition, the introduction of a new residential population would increase demand for the goods and services provided by existing businesses. The Proposed Actions would add an increment of 269,638 sf of Retail Trade space (local retail, with a decrease in destination retail compared to the No Action condition) and an increment of 561,756 sf of office space. There is an existing trend of increasing retail development in the study area and adaptive reuse of former industrial buildings for commercial uses. The retail added under the RWCDS would not be enough to alter or accelerate ongoing trends. In terms of office uses, within the wider study area, there are many businesses in industries that are often sited in office buildings, and the Proposed Actions would reinforce existing trends of office space development in the study area. In particular, commercial businesses,

[3] Subarea A consists of Census Tracts 117, 119, and 121 (see **Figure 3-1**).

[4] Subarea B consists of Census Tracts 71 and 127 (see **Figure 3-1**).

offices, and other uses that serve the surrounding residential communities have increased in recent years within the Project Area. The reinvestment in, and reactivation of, older loft buildings for a variety of commercial office and artist spaces indicate a growing local demand for new office and other workspaces. The new office space is expected to respond to the local demand for office space and other workspaces, and is not enough to substantively alter or accelerate trends.

The Proposed Actions would not directly displace uses that provide substantial direct support for businesses in the area or that bring people into the area that form a substantial portion of the customer base for local businesses. The Proposed Actions would result in increasing economic activity in an area where commercial corridors are currently fragmented. Further, the Proposed Actions' resident population (increment of 8,495 DU, and 3,493 employee population generated by the Proposed Actions on the projected development sites would become new customers at many of the existing retail businesses in the Project Area and study area, and the mix of market-rate and affordable DUs resulting from the Proposed Actions would maintain a diverse customer base to shop at retail stores offering products at a range of price points.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

A preliminary assessment found that the Proposed Actions would not result in significant adverse impacts due to adverse effects on specific industries. An analysis is warranted if a substantial number of residents or workers 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 industry. The Proposed Actions would not significantly affect the business conditions in any industry or any category of business within or outside the study area. By 2035 the Proposed Actions could directly displace an estimated 45 businesses and 600 employees in several economic sectors. The businesses that could be displaced do not represent a critical mass of businesses within any City industry, category of business, or category of employment. Although these businesses are valuable individually and collectively to the City's economy, the goods and services offered by potentially displaced uses can be found elsewhere within the socioeconomic study area, within a broader trade area, and within the City as a whole. The products and services offered by potentially displaced businesses are not essential to the viability of other businesses within or outside the study area. The Proposed Actions would not result in significant indirect business displacement, and therefore would not indirectly substantially reduce employment or have an impact on the economic viability in any specific industry or category of business.

B. METHODOLOGY

The objective of a socioeconomic conditions analysis is to disclose whether any changes resulting from a project would have a significant adverse impact compared with what would happen in the future if the project was not completed. Even when socioeconomic changes would 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.

Changes to an area's socioeconomic character may occur directly or indirectly as a result of a project. Direct (or primary) displacement is defined by CEQR as the involuntary displacement of residents or businesses from a site or sites directly affected by a proposed project. Examples of direct displacement include a proposed redevelopment of a currently occupied parcel for a new

use or structure, or a proposed easement or right-of-way that would take a portion of a parcel, rendering it unfit for its current use.

Indirect (or secondary) displacement is defined by CEQR as the involuntary displacement of residents, businesses, or employees that results from a change in socioeconomic conditions created by a proposed action. Examples of indirect displacement include lower-income residents forced out due to rising rents caused by a new concentration of higher-income housing introduced by a project, or a similar turnover of industrial uses being forced out in favor of higher-paying commercial tenants attracted to an area because of a successful office project.

If a project does not affect an area's socioeconomic characteristics directly or indirectly, it may still affect the operation of a major industry or commercial operation in the City. An example would be the implementation of new regulations that restrict a certain process that is vital to a particular industry. In these cases, the effect of a proposed action on a particular industry is analyzed.

For a project covering a large geographic area, such as an area-wide rezoning, the precise location and type of potential future development may not be known because it is not possible to determine with certainty the actions of private property owners, whose future development plans are tied to the terms of private contracts and leases. In such cases (including for this analysis), sites are analyzed under an RWCDS to illustrate a conservative assessment of potential effects of a proposed action on sites considered likely to be redeveloped. While socioeconomic conditions can change (i.e., populations decreasing or businesses turning over), the socioeconomic conditions analysis is a density-based technical analysis and anticipated development on projected development sites form the bases for the impact assessment.

The analysis of the Proposed Actions is based on the RWCDS, which includes development projected to be completed within the 15-year analysis window (by the 2035 Build Year). By the 2035 Build Year, the Proposed Actions could result in the incremental development within the Project Area of 8,495 DUs; 734,293 sf of commercial space; 251,413 sf of community facility space; and a loss of 316,919 sf of industrial space. For the purposes of a conservative analysis, this socioeconomic assessment assumes only 2,580 total DUs (increment of 2,471 DUs) would be affordable in the With Action condition, which is less than what is intended to be built. The following sections describe how the Proposed Actions are analyzed.

DETERMINING WHETHER A SOCIOECONOMIC ASSESSMENT IS APPROPRIATE

This section presents the *CEQR Technical Manual* threshold circumstances that can lead to socioeconomic changes warranting further analysis, and compares those circumstances (numbered in bold italics below) to the Proposed Actions' RWCDS.

1. Direct Residential Displacement: Would the Proposed Actions directly displace population to the extent that the socioeconomic character of the neighborhood would be substantially altered? Displacement of less than 500 residents would not typically be expected to alter the socioeconomic character of a neighborhood.

Under the RWCDS, by 2035 the Proposed Actions could directly displace an estimated 20 residents living in nine DUs. There are currently a total of 223 DUs on the projected development sites within the Project Area. As a result of development projected to occur on development sites in the future without the Proposed Actions, residents of 57 of those DUs could be displaced in the No Action condition. The residents projected to be displaced in the No Action condition would not be displaced by the Proposed Actions. Of the remaining 166 DUs, the RWCDS development

could displace residents living in nine DUs on five projected development sites, with 157 DUs remaining (i.e., not displaced). The nine DUs that could potentially be displaced are located on Projected Development Sites 4, 5, 28, 45, and 55. Based on the average household size of the community district in which the DUs are located,[5] an estimated 20 residents live in the nine potentially displaced DUs.

According to the *CEQR Technical Manual*, direct displacement of less than 500 residents would not typically be expected to alter the socioeconomic character of a neighborhood. The 20 residents that could be directly displaced by the Proposed Actions represent less than one-hundredth of one percent of the current study area population; this level of displacement would not have the potential to alter the socioeconomic character of the area, and no further assessment of this direct residential displacement is warranted.

2. Direct Business Displacement: Would the Proposed Actions directly displace more than 100 employees, or would it displace any business that is unusually important because its products or services are uniquely dependent on its location, are subject of policies or plans aimed at its preservation, or that serves a population uniquely dependent on its services in its present location?

By 2035, the Proposed Actions could directly displace up to 45 businesses located on the projected development sites. The 45 businesses include: five Construction sector businesses; five Manufacturing sector businesses; five Wholesale Trade sector businesses; four Retail Trade sector businesses; four Transportation and Warehousing sector businesses; four Information sector businesses; one Administrative and Support and Waste Management and Remediation Services sector business; three Arts, Entertainment, and Recreation sector businesses; two Accommodation and Food Services sector businesses; and 12 "Other Services (except Public Administration)" sector businesses. Based on employment density ratios widely used in CEQR analyses, there are an estimated 600 employees associated with the 45 potentially displaced businesses. The number of potentially displaced employees exceeds the 100-employee threshold and, as such, further analysis of direct business displacement is warranted (see Section C, "Preliminary Assessment").

3. Indirect Residential Displacement due to Increased Rents: Would the Proposed Actions result in substantial new development that is markedly different from existing uses, development, and activities within the neighborhood? Residential development of 200 units or less or commercial development of 200,000 sf or less would typically not result in significant socioeconomic impacts.

The Proposed Actions would result in the incremental development of 8,495 DUs, which exceeds the CEQR threshold of 200 units, warranting further analysis (see Section C, "Preliminary Assessment").

4. Indirect Business Displacement due to increased rents or market saturation: Would the Proposed Actions result in substantial new development that is markedly different from existing uses, development, and activities within the neighborhood; or would the Proposed Actions add to, or create, a retail concentration that may draw a substantial amount of sales from existing businesses within the study area to the extent that certain categories of business close and vacancies in the area increase, thus resulting in a potential for disinvestment on local retail

[5] The estimated number of residents who could be directly displaced is based on the U.S. Census Bureau's 2010 Decennial Census estimates of the average household size within Brooklyn Community District 6 (2.19 people per DU).

streets? Projects resulting in less than 200,000 sf of retail on a single development site would not typically result in socioeconomic impacts.

The *CEQR Technical Manual* suggests that commercial development of 200,000 sf or less would typically not result in significant indirect business displacement due to increased rents. While there would be a reduction in destination retail and automotive commercial uses, there would be an increase in local retail and office uses that would exceed the 200,000-sf threshold. As such, an analysis of potential indirect business displacement due to increased rents is warranted (see Section C, "Preliminary Assessment").

Based on *CEQR Technical Manual* guidelines, an assessment of potential business displacement due to retail market saturation (i.e., competition) is not warranted. The Proposed Actions would introduce an increment of up to approximately 269,600 sf of retail, consisting of a net increase of approximately 353,000 sf of local retail uses and a net reduction of approximately 83,400 sf of destination retail uses. The local retail space would not be concentrated on a single site, but would be distributed among the projected development sites within the Project Area. The Proposed Actions are intended to promote retail development that would fill in the gaps between existing retail and service establishments along commercial corridors in the study area, and add complementary retail and services for the existing population as well as the population introduced by the Proposed Actions. The Proposed Actions are not expected to add to, or create, a retail concentration that may draw a substantial amount of sales from existing businesses within the study area to the extent that certain categories of business close and vacancies in the area increase. The increase in population due to the Proposed Actions is also expected to increase demand for local retail. Therefore, the Proposed Actions would not have the potential to result in disinvestment on local retail streets due to retail market saturation and associated competitive effects.

5. Adverse Impacts on Specific Industries: Is the project expected to affect conditions within a specific industry? An analysis is warranted if a substantial number of residents or workers 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 industry.

As noted in the responses to screening questions two and four above, the Proposed Actions could result in direct and indirect business displacement. As such, an assessment is warranted in order to understand whether a substantial number of residents or workers depend on the goods or services provided by the affected businesses. Section C, "Preliminary Assessment," addresses whether the Proposed Actions could significantly affect business conditions in any industry or category of business within or outside the study area, or whether they could substantially reduce employment or impair viability in a specific industry or category of business.

Based on the above screening assessment, the Proposed Actions warrant further assessment of direct business displacement, indirect residential displacement, indirect business displacement due to increased rents, and adverse effects on specific industries.

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 potential effects of the Proposed Actions did not warrant a preliminary assessment. For the four other areas of socioeconomic concern—direct

business displacement, indirect residential 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 Actions 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.

STUDY AREA DEFINITION

A socioeconomic study area is the area within which the Proposed Actions have the greatest potential to directly or indirectly affect population, housing, and economic activities. A study area typically encompasses a project area and adjacent areas within approximately 400 feet, quarter-mile, or half-mile, depending upon the project size and area characteristics. According to the *CEQR Technical Manual*, the larger half-mile study area is appropriate for projects that would potentially increase the quarter-mile area population by more than five percent. Under the RWCDS, the Proposed Actions would increase the quarter-mile area population by approximately 18,603 people (27 percent), warranting a larger study area.

Because socioeconomic analyses depend on demographic data, it is appropriate to adjust the study area boundary to conform to the census tract delineation that most closely approximates the desired radius (in this case, a half-mile radius surrounding the Project Area). For this analysis, the census tracts that comprise the "socioeconomic study area," or "study area," are shown in **Figure 3-1**. The adjusted study area captures an approximately half-mile area surrounding the Project Area, including portions of Carroll Gardens, Park Slope, Boerum Hill, Downtown Brooklyn, Fort Greene, Red Hook, South Slope, and Sunset Park.

The approximately 81-block Project Area, shown in **Figure 3-1**, lies at the center of the socio-economic study area and is the focus of analysis. The Project Area is generally bounded by Bond, Hoyt, and Smith Streets to the west; 3rd and 4th Avenues to the east; Huntington, 3rd, 7th, and 15th Streets to the south; and Warren, Baltic, and Pacific Streets to the north. The Project Area is occupied with 63 projected development sites and 70 potential development sites (see Figure 1-8 in Chapter 1, "Project Description"). The 63 projected development sites are the sites most likely to experience redevelopment under the Proposed Actions within the 15-year analysis period, and the 70 potential development sites are less likely to be redeveloped by 2035. Therefore, the program associated with these sites is not included in the assessment of the 2035 With Action condition.

For area-wide rezoning projects that cover multiple neighborhoods and distinct residential markets, according to the *CEQR Technical Manual* it is appropriate to also consider subareas within the study area. For the purposes of the "Indirect Residential Displacement analysis," which focuses on the effects of the Proposed Actions on local area residential markets in addition to the study area, the analysis primarily examines the potential for indirect displacement effects within a "Subarea A" (Census Tracts 117, 119, and 121) and a "Subarea B" (Census Tracts 71 and 127) (identified in **Figure 3-1**), which are the subareas most likely to be affected by the proposed actions. To allow for comparisons between areas in the broader study area, the study area is further separated into the five numbered subareas shown in **Figure 3-1**.

Subarea A is bounded by Douglass Street, 4th Avenue, the Prospect Expressway, and the Gowanus Canal. The subarea consists of three census tracts (Census Tracts 117, 119, and 121) located west of 4th Avenue within the Park-Slope-Gowanus Neighborhood Tabulation Area (NTA) that

generally have lower average household incomes than other census tracts in the NTA, and that have lower average household incomes than the study area overall. This subarea consists of a large portion of the Project Area and would experience the largest increase in population as a result of the Proposed Actions. Therefore, this subarea warrants assessment of potential indirect residential displacement separate from the broader socioeconomic study area.

Subarea B is generally bounded by Bergen Street, 4th Avenue, Douglass Street, and Hoyt Street. The subarea consists of two census tracts, Census Tract 71 and 127. A portion of the subarea is within the Boerum Hill Historic District, which mainly consists of historic brownstones. However, a vast majority of the housing in the subarea is located in the New York City Housing Authority (NYCHA) Gowanus Houses, Wyckoff Gardens, and Warren Street Houses developments. Largely due to the presence of these NYCHA developments, average household income and average rents in this subarea are lower than those in the study area overall. The southern portion of this subarea is also within the Project Area and would experience an increase in population as a result of the Proposed Actions. Therefore, this subarea warrants assessment of potential indirect residential displacement separate from the broader socioeconomic study area.

Subarea 1 is generally bounded by Hamilton Avenue, Clinton Avenue, Lorraine Street, and Van Brunt Street. This subarea has a lower average household income than the rest of the study area, largely due to the presence of the NYCHA Red Hook East and Red Hook West developments. Outside of the NYCHA developments, the subarea mainly consists of industrial space, with little residential uses. Because this subarea is separated from the rest of the study area by the Gowanus Expressway, does not overlap with the Project Area, and the vast majority of residents reside in units protected from rent increases, this subarea does not warrant assessment of potential indirect residential displacement separate from the broader socioeconomic study area.

Subarea 2 is generally bounded by Hicks Street, the Gowanus Canal, and Atlantic Avenue to the north. Average household income in this subarea is the highest in the study area and is higher than the average household incomes in Brooklyn and New York City overall. Because average household income in this subarea is high, this subarea does not warrant assessment of potential indirect residential displacement separate from the broader socioeconomic study area.

Subarea 3 is generally bounded by Atlantic Avenue, Dekalb Avenue, Clermont Avenue, and Adams Street/Brooklyn Bridge Boulevard. Average household income in this subarea is slightly lower than the average household income of the study area overall, but higher than that of Brooklyn and New York City overall. Only a small portion of this subarea along 4th Avenue overlaps with the Project Area. This subarea consists of parts of Downtown Brooklyn and Fort Greene, neighborhoods that are already experiencing large amounts of new development and have mapped Mandatory Inclusionary Housing (MIH) areas that ensure future developments include an affordable component. Therefore, this subarea does not warrant assessment of potential indirect residential displacement separate from the broader socioeconomic study area.

Subarea 4 is generally bounded by 4th Avenue, Atlantic Avenue, 8th Avenue, and 13th Street. Average household income in this subarea is the second-highest in the study area and higher than the averages for Brooklyn and New York City overall. Because average household income in this subarea is high, this subarea does not warrant assessment of potential indirect residential displacement separate from the broader socioeconomic study area.

Subarea 5 is generally bounded by 13th Street, 4th Avenues, the Gowanus Expressway, and 24th Street. Only a small portion of this subarea along 4th Avenue overlaps with the Project Area. The average household income in this subarea is slightly lower than the average household income in

the study area overall, but higher than that the average household incomes for Brooklyn and New York City overall. Therefore, this subarea does not warrant assessment of potential indirect residential displacement separate from the broader socioeconomic study area.

DATA SOURCES

Information used in the analyses of direct and indirect residential displacement—including population, housing, rents, and incomes—were gathered from the U.S. Census Bureau's 2006–2010 and 2014–2018 American Community Survey (ACS) using Social Explorer and the New York City Department of City Planning (DCP) Population FactFinder. Social Explorer is a demographic data visualization and research website that agglomerates a variety of data including data from the U.S. Census and ACS. The DCP Population FactFinder online mapping tool was used to provide comparative census data between geographies and to determine the margin of error (MOE) for single variable ACS estimates presented for the study area.[6] Study area market-rate asking rents were researched using online real estate listing sites, including StreetEasy. StreetEasy is a searchable online database that uses web data extraction to compile an aggregated list of residential property listings from most of New York City's largest brokerage firm and hundreds of small-scale brokers. Data on the percentage of low-income renter households in the subareas were calculated using Public Use Microdata Sample (PUMS) files from the U.S. Census Bureau 2013-2017 ACS. PUMS provide a sample of untabulated housing unit- and population unit-level responses from the ACS, which can be used to create custom tables that are not available in ACS summary data. Estimates of protected rental units were determined using data from New York University (NYU) Furman Center Data and New York State Homes and Community Renewal (HCR) Rent Stabilized Buildings List.

The assessments of business and potential effects on specific industries consider business and employment trends in the study area, compared with those in Kings County (Brooklyn) and New York City. The data for the study area that were used to estimate the total number and types of businesses and jobs were based on the New York State (NYS) Department of Labor (DOL) Quarterly Census of Employment and Wages (QCEW) for the third quarter of 2017. QCEW Data on Kings County and New York City were gathered by AKRF, Inc. for the third quarter of 2017. The QCEW data for the socioeconomic study area were compiled at the census-tract level by the New York City DCP Housing, Economics, and Infrastructure Planning (HEIP) Division in May 2019.

The above-described data were supplemented by numerous field surveys conducted by AKRF staff during the spring of 2019. During the field surveys, AKRF staff characterized land uses and economic activities. Further, AKRF staff identified businesses that could be directly displaced by projected development. AKRF staff field surveys were supplemented by online information, including websites of businesses that would be directly displaced under the RWCDS. Employment estimates are based on a combination of online research of individual businesses, AKRF field observations, and standard industry employment density ratios commonly used for CEQR analysis. Employment density ratio calculations are based partly on the size of the building in which a business is located. Building square footage data was obtained from MapPLUTO.

[6] MOEs describe the precision of an estimate within a 90-percent confidence interval and provide an idea of how much variability (i.e., sampling error) is associated with the estimate. The larger the MOE relative to the size of the estimate, the greater potential for variability within the data. The MOE is partially dependent on the sample size, because larger sample sizes result in a greater amount of information that more closely approximates the population.

C. PRELIMINARY ASSESSMENT

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. In accordance with the guidelines, displacement of a business or group of businesses is not, in itself, considered a significant adverse environmental impact. While all businesses contribute to neighborhood character and provide value to the City's economy, the *CEQR Technical Manual* specifies consideration of the following in determining the potential for significant adverse impacts: (1) whether the businesses to be displaced provide products or services essential to the local economy that would no longer be available to local residents or businesses, and (2) whether adopted public plans call for preservation of such businesses in the area.

As detailed below, projected development generated by the Proposed Actions could directly displace 45 businesses and an estimated 600 jobs associated with those businesses.[7] As such, a preliminary assessment of direct business displacement was conducted, examining the employment and business value characteristics of the potentially displaced businesses. The analysis begins with a description of overall business activities within the study area, then describes the businesses and employment that could be directly displaced by the Proposed Actions. CEQR assessment criteria are used to determine whether such displacement could result in significant adverse impacts.

PROFILE OF PRIVATE EMPLOYMENT IN THE SOCIOECONOMIC STUDY AREA

As of 2017, there were an estimated 54,887 private sector employees in the socioeconomic study area (see **Table 3-1**). These employees represented approximately 9 percent of Brooklyn's total private employment, and approximately 1.4 percent of New York City's total private employment.

The economic sector with the highest private employment was Health Care and Social Assistance, representing approximately 23 percent of total private sector employment. Health Care and Social Assistance employers located throughout the study area include New York-Presbyterian Brooklyn Methodist Hospital, Brooklyn Health Center, numerous physician's offices, St. Mary Star of the Sea retirement home, Oxford Nursing Home, and Renaissance Home Health Care Services.

The next largest economic sector in the study area is Accommodation and Food Services, with approximately 17 percent of private employment in the study area, which is substantially higher than the share of employment in this sector in Brooklyn and New York City. Accommodation sector employers in the study area include several hotels along 3rd and 4th Avenues and in Downtown Brooklyn. Food Services sector business, such as restaurants and bars, are located throughout the study area, with concentrations in the primary retail corridors along 5th and 7th Avenues in Park Slope, Atlantic and Flatbush Avenues, and Court and Smith Streets in Carroll Gardens. In Brooklyn and New York City, the Accommodation and Food Services sector represented 8.4 and 9.9 percent of private sector employees, respectively.

[7] Certain businesses may own the property on which they are located and would not be involuntarily displaced as defined under CEQR, because they would have to willingly enter an agreement to sell their property and relocate. However, to more fully evaluate businesses' contributions to the local economy and whether similar products and services would continue to be available, this direct business displacement analysis identifies and evaluates all potentially displaced businesses irrespective of ownership.

Table 3-1
2017 Private Employment in Socioeconomic Study Area, Brooklyn, and New York City

	Socioeconomic Study Area		Brooklyn		New York City	
	Employees	%	Employees	%	Employees	%
Agriculture, Forestry, Fishing and Hunting	0	0.0	131	>0.1	373	>0.1
Mining	0	0.0	0	0.0	33	>0.1
Utilities	D	D	3,937	0.6	15,561	0.4
Construction	2,526	4.6	33,185	5.4	150,605	4.1
Manufacturing	1,169	2.1	20,018	3.3	72,656	2.0
Wholesale Trade	1,596	2.9	24,794	4.1	135,333	3.6
Retail Trade	7,872	14.3	77,207	12.6	343,778	9.3
Transportation and Warehousing	1,144	2.1	18,281	3.0	116,819	3.1
Information	2,387	4.3	10,797	1.8	188,689	5.1
Finance and Insurance	1,416	2.6	16,520	2.7	332,481	9.0
Real Estate, Rental & Leasing	1,133	2.1	18,664	3.1	131,923	3.6
Professional, Scientific, & Tech. Services	1,922	3.5	22,023	3.6	403,346	10.9
Management of Companies and Enterprises	202	0.4	2,479	0.4	70,325	1.9
Administrative & Support & Waste Management & Remediation	803	1.5	30,885	5.1	238,693	6.4
Educational Services	2,254	4.1	27,281	4.5	168,292	4.5
Health Care & Social Assistance	12,674	23.1	211,091	34.6	702,511	18.9
Arts, Entertainment, and Recreation	2,157	3.9	9,376	1.5	87,909	2.4
Accommodation & Food Services	9,497	17.3	51,462	8.4	368,655	9.9
Other Services (except Public Administration)	D	D	29,548	4.8	174,103	4.7
Unclassified	D	D	2,798	0.5	7,813	0.2
Total	**54,887**	**100.0**	**610,478**	**100.0**	**3,709,898**	**100.0**

Notes:
1. Private employee counts for the socioeconomic study area are based on an aggregate of values from the QCEW, 3Q 2017 for the following 2010 Census Tracts: 121, 137, 139, 151, 153, 155, 157, 133, 131, 181, 135, 141, 159, 77, 41, 67, 69, 179, 145, 147, 149, 75, 127, 71, 37, 39, 43, 35, 161, 129.01, 129.02, 85, 33, 119, 117, 63, 59, 65, and 143.
2. The number of the private sector employees in Manhattan and New York City is equal to the average number of employees in the first three months of 3Q 2017.
3. To avoid disclosing data for individual employees, sectors that were considered non-disclosable were symbolized with a 'D'. The number of non-disclosable employees is included in the total employee count to provide an accurate representation of the number of employees.

Sources: NYSDOL QCEW, 3Q 2017; NYSDOL QCEW, 3Q 2017 data was provided at the census tract-level for the socioeconomic study area by DCP HEIP Division (May 2019).

The third and fourth largest economic sectors in the study area are Retail Trade and Construction with approximately 14 and 5 percent of private employment in the study area, respectively. In Brooklyn and New York City, the Retail Trade sector represented 13 and 9 percent of private sector employees, respectively; and the Construction sector represented 5 and 4 percent, respectively.

PROFILE OF PRIVATE BUSINESSES IN THE SOCIOECONOMIC STUDY AREA

The Proposed Actions would affect an 81-block area of Brooklyn, Community Districts 2 and 6, and the socioeconomic study area covers a large portion of Brooklyn, including portions of the Gowanus, Park Slope, Carroll Gardens, Boerum Hill, Fort Greene, and Downtown Brooklyn neighborhoods. Each of these neighborhoods have unique business patterns and characteristics. As of 2017, there were an estimated 5,685 private sector businesses within the socioeconomic study area (see **Table 3-2**). While Healthcare and Social Assistance accounted for the largest share of private employment in the study area, the Accommodation and Food Services sector accounted for the largest number of businesses (759 businesses, which is approximately 13 percent of all businesses in the study area). Hotels in the study area are concentrated along 3rd and 4th Avenues and in Downtown Brooklyn, Food Services sector business, such as restaurants and bars, are

located throughout the study area, with concentrations in the primary retail corridors along 5th and 7th Avenues in Park Slope, Atlantic and Flatbush Avenues, and Court and Smith Streets in Carroll Gardens.

The second- and third-most prevalent private business sectors in the study area were Retail Trade and Professional, Scientific, and Technical Services, representing approximately 12 and 10 percent of study area businesses, respectively. Retail Trade businesses represented approximately 16 and 13 percent of businesses in Brooklyn and New York City, respectively. Professional, Scientific, and Technical Services businesses are less represented in Brooklyn (8 percent) and more represented in New York City (12 percent).

PROFILE OF POTENTIALLY DISPLACED PRIVATE BUSINESSES

New York City's commercial streets are dynamic, with businesses regularly opening and closing in response to changes in the economy, local demographics, and consumer trends. Therefore, through 2035, it is possible that a number of the potentially displaced businesses identified below would close or relocate for reasons independent of the Proposed Actions. Further, there are a number of businesses that could be displaced in the No Action condition because of development projects unrelated to the Proposed Actions. The businesses displaced in the No Action condition are not considered displaced by the Proposed Actions in the With Action condition because displacement could occur regardless of the Proposed Actions. The following estimates are based on current businesses, and the conservative assumption that these businesses would remain in the No Action condition.

As shown in **Table 3-3**, under the RWCDS an estimated 600 employees in 45 private businesses could be directly displaced by the Proposed Actions. These businesses, located on the projected development sites, span a range of industry sectors. The industry sector with the largest number of potentially displaced employees is Wholesale, with an estimated 108 potentially displaced employees. The potentially displaced Wholesale sector businesses include Private Collections Inc. (Projected Development Site 15); 475 High Performance Building Supply (Projected Development Site 52); Ortov Electrical Supplies and Lighting (Projected Development Site 31); TGI Office Automation (Projected Development Site 42); and an unmarked warehouse (Projected Development Site 61).

The industry sector with the largest number of potentially displaced firms is "Other Services (except Public Administration)," with 12 potentially displaced firms. The potentially displaced firms include Piccolo Iron Restoration (Projected Development Site 19); Happy Cleaners (Projected Development Site 62); and parking and auto repair businesses.

The sector with the second largest number of potentially displaced employees is the Construction sector, with an estimated 93 displaced employees. The potentially displaced Construction sector businesses are Strekte Contractor (Projected Development Site 19); A. Williams Construction (Projected Development Site 21); J&A Contractors Corp and Monadnock Construction (Projected Development Site 40); and Empire Transit Mix Concrete (Projected Development Site 44).

Table 3-2
2017 Private Businesses in Socioeconomic Study Area, Brooklyn, and New York City

	Socioeconomic Study Area		Brooklyn		New York City	
	Firms	%	Firms	%	Firms	%
Agriculture, Forestry, Fishing, and Hunting	0	0.0	17	>0.1	63	>0.1
Mining	0	0.0	0	0.0	15	>0.1
Utilities	D	D	31	0.1	99	>0.1
Construction	256	4.5	4,270	7.0	14,671	5.5
Manufacturing	129	2.3	1,791	2.9	5,722	2.1
Wholesale Trade	175	3.1	3,366	5.5	15,207	5.7
Retail Trade	677	11.9	9,966	16.2	33,905	12.7
Transportation and Warehousing	58	1.0	1,465	2.4	5,170	1.9
Information	206	3.6	1,161	1.9	6,913	2.6
Finance and Insurance	105	1.8	1,511	2.5	12,449	4.6
Real Estate, Rental, and Leasing	306	5.4	4,663	7.6	21,631	8.1
Professional, Scientific, and Tech. Services	581	10.2	5,183	8.4	31,114	11.6
Management of Companies and Enterprises	18	0.3	144	0.2	1,481	0.6
Administrative and Support and Waste Management and Remediation	126	2.2	1,975	3.2	11,200	4.2
Educational Services	129	2.3	1,043	1.7	4,254	1.6
Health Care and Social Assistance	476	8.4	6,713	10.9	24,207	9.0
Arts, Entertainment, and Recreation	202	3.6	954	1.6	5,940	2.2
Accommodation and Food Services	759	13.4	5,877	9.6	24,889	9.3
Other Services (except Public Administration)	D	D	7,448	12.1	37,043	13.8
Unclassified and Non-Disclosable	D	D	3,815	6.2	11,839	4.4
Total	**5,685**	**100.0**	**61,394**	**100.0**	**267,812**	**100.0**

Notes:

1. Private firm counts for the socioeconomic study area are based on an aggregate of values from the QCEW, 3Q 2017 for the following 2010 Census Tracts: 121, 137, 139, 151, 153, 155, 157, 133, 131, 181, 135, 141, 159, 77, 41, 67, 69, 179, 145, 147, 149, 75, 127, 71, 37, 39, 43, 35, 161, 129.01, 129.02, 85, 33, 119, 117, 63, 59, 65, and 143.
2. The number of the private sector firms in Manhattan and New York City are based on aggregate values from 3Q 2017.
3. To avoid disclosing data for individual employees, sectors that were considered non-disclosable were symbolized with a 'D'. The number of non-disclosable employees is included in the total employee count to provide an accurate representation of the number of employees.

Sources: NYSDOL QCEW, 3Q 20174; NYSDOL QCEW, 3Q 2017 data was provided at the census tract-level for the socioeconomic study area by DCP HEIP Division (May 2019).

Table 3-3
Private Businesses and Employment Potentially Displaced by the Proposed Actions

	Firms	Percent of Displaced Businesses	Estimated Employment Displaced[1]	Percent of Displaced Employment
Construction	5	11.1	93	15.5
Manufacturing	6	13.3	86	14.3
Wholesale	5	11.1	108	18.0
Retail	4	8.9	37	6.2
Transportation and Warehousing	4	8.9	88	14.7
Information	3	6.7	27	4.5
Administrative and Support and Waste Management and Remediation Services	1	2.2	6	1.0
Arts, Entertainment, and Recreation	3	6.7	30	5.0
Accommodation and Food Services	2	4.4	42	7.0
Other Services (except Public Administration)	12	26.7	83	13.8
Total	**45**	**100.0**	**600**	**100.0**

Note:
1. Employment estimates are based on AKRF field observations and standard industry employment density ratios commonly used for CEQR analysis.

Sources: AKRF, Inc.; DCP MapPLUTO 2018 data.

CEQR PRELIMINARY ASSESSMENT CRITERIA

According to the *CEQR Technical Manual*, the following threshold indicators are considered to determine the potential for significant adverse impacts due to direct business displacement.

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

As noted above, it is possible that a number of the potentially displaced businesses would close or relocate for reasons independent of the Proposed Actions. It is also possible that not all businesses projected to be displaced would be able to relocate to other space. Businesses that would wish to continue to operate may have to choose to relocate outside of the neighborhood, Brooklyn, or even the City. Generally, those businesses with more stringent location and space constraints would be less likely to find comparable, suitable nearby space. For example, those businesses that can operate out of a 5,000-sf storefront would find it easier to locate to new space than a business that needs a 50,000-sf space.

The following details the industry sectors within which displacement could occur, and the potential effects on socioeconomic conditions in the study area.

Construction

As noted above, there are five potentially displaced Construction sector businesses employing an estimated 93 people on the projected development sites. These businesses provide contractor services, construction management services, and concrete supplies. Within the study area, there are an estimated 256 construction businesses with 2,526 private employees. The potentially displaced businesses represent approximately two percent of Construction sector businesses and four percent of private Construction sector employment.

Construction sector businesses generally serve large, regional trade areas, and there are an estimated 4,270 Construction sector businesses with 33,185 private employees in Brooklyn. The

potentially displaced businesses represent approximately 0.1 percent of businesses and 0.3 percent of private Construction sector employment in Brooklyn. With respect to concrete suppliers, these businesses typically need to be located within an approximately 60- to 90-minute drive time from their customers to deliver and pour concrete. There are other concrete suppliers near the study area, including Farrara Brothers Building Materials and Greco Brothers Ready Mix Concrete, as well as in Brooklyn, including Transit Mix Corp, DKN Ready Mix, Stillwell Ready Mix, and Advanced Transit Mix Corp. Therefore, although it may be difficult to relocate the potentially displaced concrete supplier, businesses offering comparable services and employment opportunities would still be available within the study area and Brooklyn.

Manufacturing

There are six potentially displaced Manufacturing sector businesses employing an estimated 86 people on the projected development sites. The Manufacturing sector businesses are Solid Tops Custom Corian Countertops (Projected Development Site 5), Keep Off Jetty (a boat/surfboard fabricator) (Projected Development Site 5), Quality Woodworking (Projected Development Site 14), Millennium Steel and Rack Rentals (Projected Development Site 15), Square Design (a custom design and fabrication company) (Projected Development Site 28), and Matthews International/South Brooklyn Casket Company (Projected Development Site 24). The potentially displaced businesses represent approximately five percent of businesses and seven percent of employment in the Manufacturing sector in the study area.

With 129 Manufacturing sector businesses in the study area and 1,791 Manufacturing sector businesses in Brooklyn, there are alternative businesses that could provide manufacturing services and alternative places for employment of potentially displaced employees. Similar manufacturing businesses are located in the study area and Brooklyn, including Foro Marble (a countertop fabricator), New York Woodwork, Stone Décor Enterprise, and C&P Stainless Steel Manufacturing. Furthermore, it is expected that these businesses could relocate to new locations in areas zoned for manufacturing uses, such as the nearby Southwest Brooklyn Industrial Business Zone (IBZ).

Wholesale

As discussed above, there are five potentially displaced Wholesale sector businesses employing an estimated 108 people on the projected development sites. These businesses wholesale clothing, building supplies, and office equipment. The potentially displaced businesses represent approximately three percent of businesses and seven percent of employment in the Wholesale sector in the study area. With 175 Wholesale sector businesses in the study area and over 3,000 Wholesale sector businesses in Brooklyn, there are alternative locations from which the area's wholesale trade needs are met, limiting the potential effects of the Proposed Actions. Similar wholesale businesses in the study area and Brooklyn include United Supply Corp., W.B. Mason, Kamco Supply Corp, MTR Building Supplies, and Double Take Fashions.

Retail Trade

There are four potentially displaced Retail Trade sector businesses employing an estimated 37 private employees. The retail businesses are a BP gas station (Projected Development Site 52), a Speedway gas station (Projected Development Site 27), Major Auto Show (a used car dealership) (Projected Development Site 19), and Star of Islam/Herb Organic Shop (Projected Development Site 13). The potentially displaced businesses represent 0.6 percent of businesses and 0.5 percent of employment within the Retail Trade sector in the study area.

The potentially displaced businesses and associated employment do not represent a majority of study area retail businesses or employment. Comparable products and employment opportunities would still be available within the study area and Brooklyn. For example, other car dealerships in Brooklyn include Universal Auto Gallery, Prestige Motor Sales, Hamilton Avenue Auto Sales, and Plaza Auto Mall. Other gas stations are located in or near the Project Area, including a BP gas station at the intersection of 3rd Avenue and Butler Street and a Shell gas station at the intersection of 3rd Avenue and Bergen Street; in Brooklyn, there are several gas stations south of the Project Area along 2nd, 4th, and 5th Avenues.

Transportation and Warehousing

There are four potentially displaced Transportation and Warehousing sector businesses employing an estimated 88 people on the projected development sites. The Transportation and Warehousing sector businesses are Corporate Transportation Group (Projected Development Site 56), Rabbit Moving and Storage (Projected Development Site 28), Malcolm Management Corp and Susan Lammey Brokerage Insurance Corp (a taxi depot) (Projected Development Site 49). The potentially displaced businesses represent approximately seven percent of businesses and eight percent of employment within the Transportation and Warehousing sector in the study area.

With 58 Transportation and Warehousing businesses in the study area and over 1,400 Transportation and Warehousing businesses in Brooklyn, there are alternative and comparable places for the storage and transportation of goods, as well as alternative places for employment of the potentially displaced employees working in the sector. Transportation sector businesses are not a defining characteristic of the study area.

Information

There are three potentially displaced Information sector businesses employing an estimated 27 people on the projected development sites. The Information sector businesses are Band Spaces NYC (a recording studio) (Projected Development Site 13), Eastern Effects (a soundstage and production space) (Projected Development Site 15), and a Verizon facility (Projected Development Site 41). The potentially displaced businesses represent approximately one percent of businesses and one percent of employment within the Information sector in the study area.

There are over 200 Information sector businesses in the study area and over 1,100 in Brooklyn, including businesses that offer similar services, such as Peter Karl Studios, Douglass Recording, Atlantic Sound Studio, and dozens of soundstages and production studios in New York City, according to the New York City Mayor's Office of Media and Entertainment.

Administrative and Support and Waste Management and Remediation Services

There is one potentially displaced waste service business, Quality Carting, located on the projected development sites, employing an estimated six people. The potentially displaced business represents approximately 0.8 percent of Administrative and Support and Waste Management and Remediation Services businesses and approximately 0.7 percent of the sector's employment.

According to the New York City Business Integrity Commission, the agency that licenses private waste carters, there are more than 200 active licensed carters that can collect waste from commercial establishments in New York City.[8] No specific industries would be significantly

[8] NYC Business. *Information about hiring a private carter*. Accessed June 6, 2019. https://www1.nyc.gov/nycbusiness/description/information-about-hiring-a-private-carter

affected by the loss of the waste service firm at this location, and the local economy is not dependent on its services.

Arts, Entertainment, and Recreation

There are three potentially displaced Arts, Entertainment, and Recreation sector businesses within the study area employing an estimated 30 people. The existing Arts, Entertainment, and Recreation sector businesses are three event spaces—the Gemini and Scorpio Loft (Projected Development Site 13), 501 Union (Projected Development Site 22), and Colony 274 (Projected Development Site 63). The potentially displaced businesses represent approximately 1.5 percent of the Arts, Entertainment, and Recreation sector businesses and 1.4 percent of the Arts, Entertainment, and Recreation sector employment in the study area. There are other event spaces in the study area, such as the Green Building event space at 452 Union Street, and throughout Brooklyn and New York City.

Accommodation and Food Services

There are two potentially displaced Accommodation and Food Service sector businesses within the study area employing an estimated 42 employees. The existing Accommodation and Food Service businesses are Public Records (Projected Development Site 57) and Lavender Lake (Projected Development Site 28). The potentially displaced businesses represent approximately 0.3 percent of sector businesses and 0.4 percent of sector employment in the study area. If the Proposed Actions are approved, there would be an incremental increase of new retail space, where potentially displaced firms could relocate or where new businesses and employment opportunities could locate.

Other Services (except Public Administration)

There are 12 "Other Services (except Public Administration)" businesses within the study area, including eight auto repair shops, two parking lots, one dry cleaner, and one iron restoration business. Together, these businesses employ an estimated 83 employees. Of the "Other Services" employees and businesses in Brooklyn, the potentially displaced businesses represent 0.2 percent and 0.3 percent of existing sector businesses and employees, respectively. There are a substantial number of other auto repair shops, parking facilities, and dry cleaners in and near the study area, as well as alternative places for employment for potentially displaced private employees working in the sector. Auto repair, parking lots, and dry cleaners are not a defining characteristic of the study area. Similar iron restoration services are located in the study area and include Petrillo Iron Works, Ricardo's Iron Works, D.V.S. Iron Works, and C&A Iron Works.

Summary

In summary, the 45 potentially displaced businesses and 600 potentially directly displaced employees do not represent a majority of study area businesses or employment for any given sector. While all businesses contribute to neighborhood character and provide value to the City's economy, because there are alternative sources of goods, services, and employment provided within the socioeconomic study area, potentially displaced business do not constitute a significant adverse impact on the socioeconomic conditions as defined by CEQR.

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?

Under the RWCDS, the Proposed Actions could directly displace 45 businesses. As discussed above, these businesses do not represent a majority of study area businesses or employment for

any given sector and there are alternative sources of their goods and services within the study area, Brooklyn, and New York City. None of the potentially displaced businesses are within a category of business that is the subject of regulations or publicly adopted plans to preserve, enhance, or otherwise protect it.

The Project Area is located adjacent to the Southwest Brooklyn IBZ, as shown on Figure 2-5 in Chapter 2, "Land Use, Zoning, and Public Policy." The purpose of IBZs is to promote clusters of active industrial and commercial uses by creating models for unique mixed-use districts that include light industrial and commercial uses, and upholding current zoning that limits residential development. The Proposed Actions would not directly displace any businesses within the IBZ. Furthermore, as discussed in the preliminary assessment of indirect business displacement below, the Proposed Actions would not result in new economic activities that would alter or accelerate ongoing trends. Therefore, the Proposed Actions would not adversely affect the Southwest Brooklyn IBZ.

Based on the above analysis, according to *CEQR Technical Manual* impact thresholds, the Proposed Actions would not result in significant adverse impacts due to direct business displacement. The businesses directly displaced by the Proposed Actions do not provide products or services essential to the local economy that would no longer be available in the study area. Further, there is no category of business that may be directly displaced that is the subject of regulations or plans to preserve, enhance, or otherwise protect it.

INDIRECT RESIDENTIAL DISPLACEMENT

As described in the *CEQR Technical Manual*, indirect residential displacement usually results from substantial new development that is markedly different from existing uses and activity in an area, which can lead to increased property values in the area. Increased property values can lead to increased rents, which can make it difficult for some existing residents to remain in their homes.

Generally, an indirect residential displacement analysis is conducted only in cases in which the potential impact may be experienced by renters living in privately held units unprotected by rent control, rent stabilization, or other government regulations restricting rents, and whose incomes or poverty status indicate that they may not support substantial rent increases. Residents who are homeowners or who are renters living in rent-restricted units would not be vulnerable to rent pressures. The *CEQR Technical Manual's* step-by-step guide for a preliminary assessment of indirect residential displacement is presented in bold italics below.

1. Determine if the Proposed Actions 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 Proposed Actions.

EXISTING CONDITIONS AND TRENDS

Household income characteristics for the study area population are described using the average and median household incomes. The average household income is calculated by dividing the aggregate income by the total number of households in the study areas. The presence of high-income households raises the average income, sometimes substantially higher than the median household incomes in the study area. The median household income represents an estimate of the mid-point of all household incomes in the study area.

As shown in **Table 3-4**, the estimated average household income in the study area is $160,514, which is over $70,000 higher than that of Brooklyn overall ($87,330), and over $60,000 higher than that of New York City overall ($99,261). Average income in the study area has increased by

approximately 29.1 percent since 2010, far outpacing growth in average household incomes in Brooklyn (18.8 percent) and New York City (8.6 percent). The estimated median household income in the study area ($111,458) is nearly twice as high as that of Brooklyn ($56,941) and New York City ($61,766). Median household incomes in the study area and comparison geographies follow similar trends as average household incomes.

Table 3-4
Household Income Characteristics (2006-2010, 2014-2018 ACS)

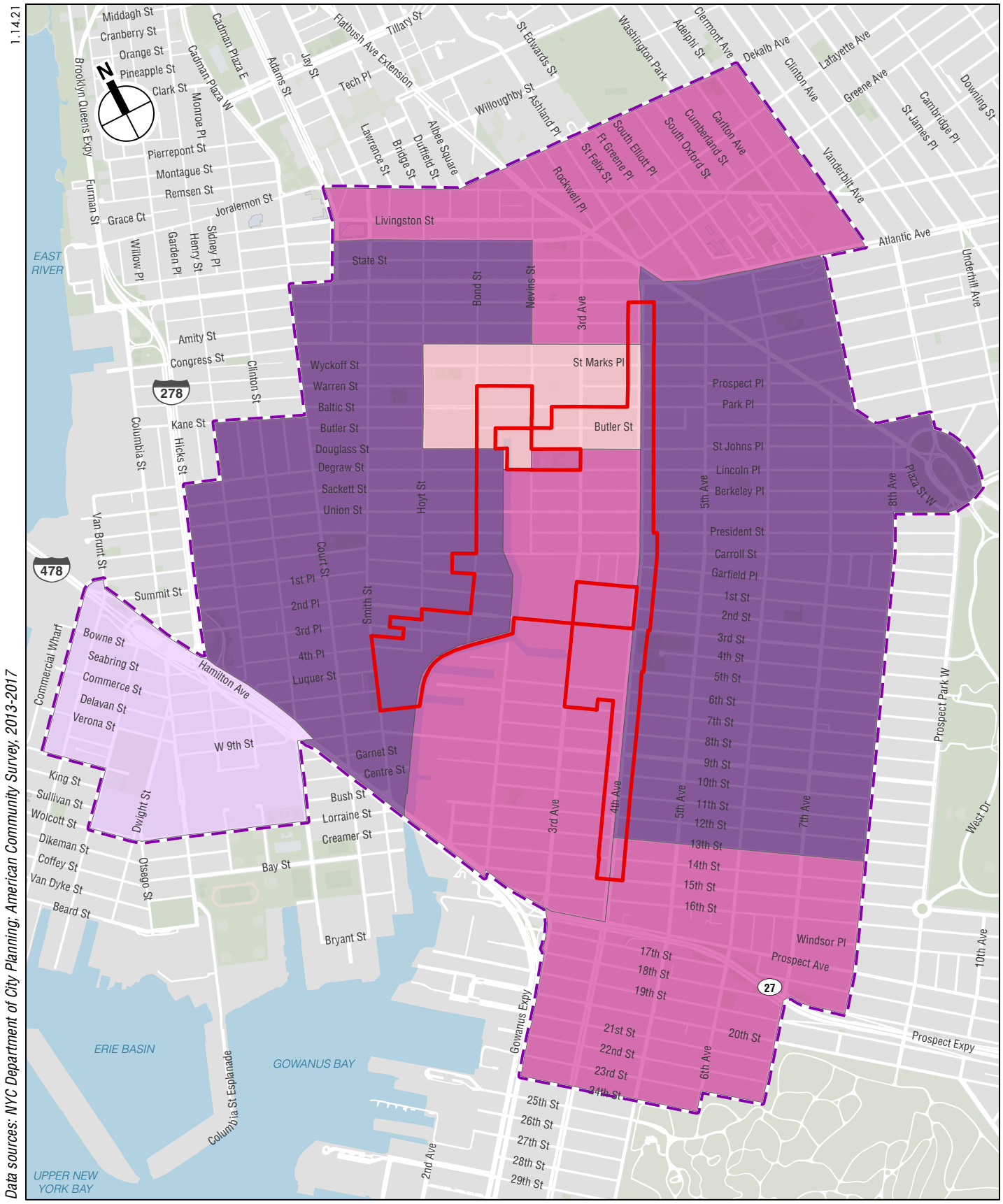
Area	Average Household Income			Median Household Income		
	2006–2010 ACS[1]	2014–2018 ACS[1]	Change or Direction of Change[2]	2006–2010 ACS[1]	2014–2018 ACS[1]	Change or Direction of Change[2]
Socioeconomic Study Area	**$124,347**	**$160,514**	**29.1%**	**$88,589**	**$111,458**	**25.8%**
Subarea A	$87,486	$126,880	Increase	$69,946	$95,483	Increase
Subarea B	$67,000	$99,884	Increase	$36,626	$40,222	-
Subarea 1	$33,591	$37,160	-	$21,367	N/A[3]	-
Subarea 2	$146,830	$206,212	40.4%	$110,873	$152,268	Increase
Subarea 3	$110,323	$144,257	Increase	$80,224	$102,908	Increase
Subarea 4	$152,074	$183,734	Increase	$111,621	$132,531	Increase
Subarea 5	$100,975	$132,139	Increase	$76,824	$101,486	Increase
Brooklyn	$73,511	$87,330	18.8%	$51,115	$56,941	11.4%
New York City	$91,393	$99,261	8.6%	$58,997	$61,766	4.7%

1. All dollar figures have been adjusted to 2019 dollars based on the U.S. Department of Labor Consumer Price Index for all urban consumers in the New York-Newark-Jersey City, NY-NJ-PA region.
2. If the margin of error (MOE) of the difference between 2006-2010 and 2014-2018 ACS data is greater than the difference, a change cannot be reported with confidence; if the MOE of the difference is greater than one third of the difference, a change cannot be estimated with confidence and only the direction of the change can be reported (i.e. Increase/Decrease).
3. The MOE for this data point is more than one-third of the value, therefore this data is not statistically reliable.

Sources: U.S. Census Bureau, 2006-2010 and 2014-2018 ACS 5-Year Estimates via DCP's NYC Population FactFinder.

Average household incomes in Subareas A and B are lower than in the study area as a whole. Average household income in Subarea B ($99,884) is lower than in Subarea A and approximately $60,000 less than in the study area as a whole. Average household income in Subarea B is similar to the average household income in Brooklyn and New York City overall. Average household income in Subarea A is higher than in New York City overall and approximately $40,000 higher than in Brooklyn overall. Average household income in Subareas A and B have increased since 2010. Median household income in Subarea A is similar to that of the study area as a whole, but higher than that of Brooklyn and New York City overall. Median household income in Subarea B is lower than in the study area, Brooklyn, and New York City overall.

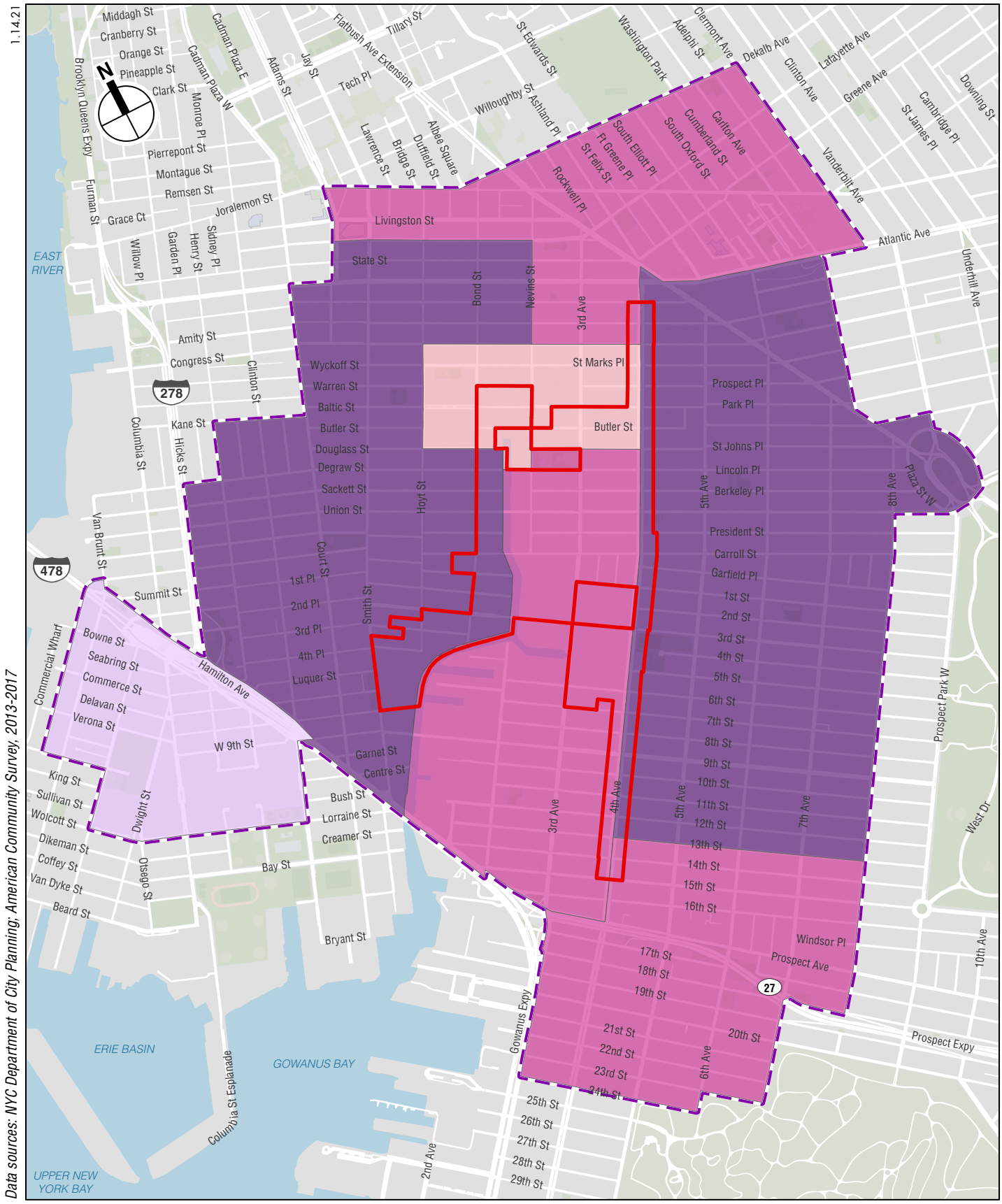
A large range of average and median household incomes are found in the broader socioeconomic study area (see also **Figures 3-2 and 3-3**). The highest incomes are found in Subareas 2 and 4, generally in the neighborhoods of Boerum Hill, Carroll Gardens, and Park Slope. The average household income in Subarea 2 is $206,212, which is more than twice the average household incomes of Brooklyn and New York City overall. Average household income in Subarea 4 is $183,784, which is more than twice as high as that of Brooklyn and nearly twice as high as that of New York City overall. Subareas 3 and 5 have average household incomes in the more middle-income range, at $144,257 and $132,139 respectively, and are higher than that of Brooklyn overall. Subarea 1 has the lowest average household income of any subarea in the study area, at $37,160, which is approximately $50,000 less than average household income in Brooklyn overall. This is likely due to the presence of the NYCHA Red Hook East and Red Hook West developments



Average Household Income

GOWANUS NEIGHBORHOOD REZONING AND RELATED ACTIONS

Figure 3-2



Median Household Income

GOWANUS NEIGHBORHOOD REZONING AND RELATED ACTIONS

Figure 3-3

located in this subarea. See **Table 3-5** and **Figure 3-4** for other NYCHA housing in the study area. Average household incomes have increased in Subareas 2, 3, 4, and 5 since 2010. Median household incomes are lower than average household incomes across the study area, indicating the presence of very high income households.

Table 3-5
NYCHA Developments in the Study Area

Development	Address
Gowanus Houses	211 Hoyt Street
Wyckoff Gardens	272 Wyckoff Street
572 Warren Street	575 Warren Street
Red Hook West	55 Dwight Street
Red Hook East	62 Mill Street
Atlantic Terminal Site 4B	487 Carlton Ave

Source: http://nycha.maps.arcgis.com.

As identified in *Gowanus: A Framework for a Sustainable, Inclusive, Mixed-Use Neighborhood*, increasing population and a citywide housing shortage has put pressure on the residential markets in the neighborhoods surrounding Gowanus, including Carroll Gardens, Park Slope, and Boerum Hill, resulting in rising rents and property values. Because development in the surrounding neighborhoods is limited by zoning and historic districts, luxury residential development has increased in the few areas in Gowanus that allow residential uses, such as along 4th Avenue.

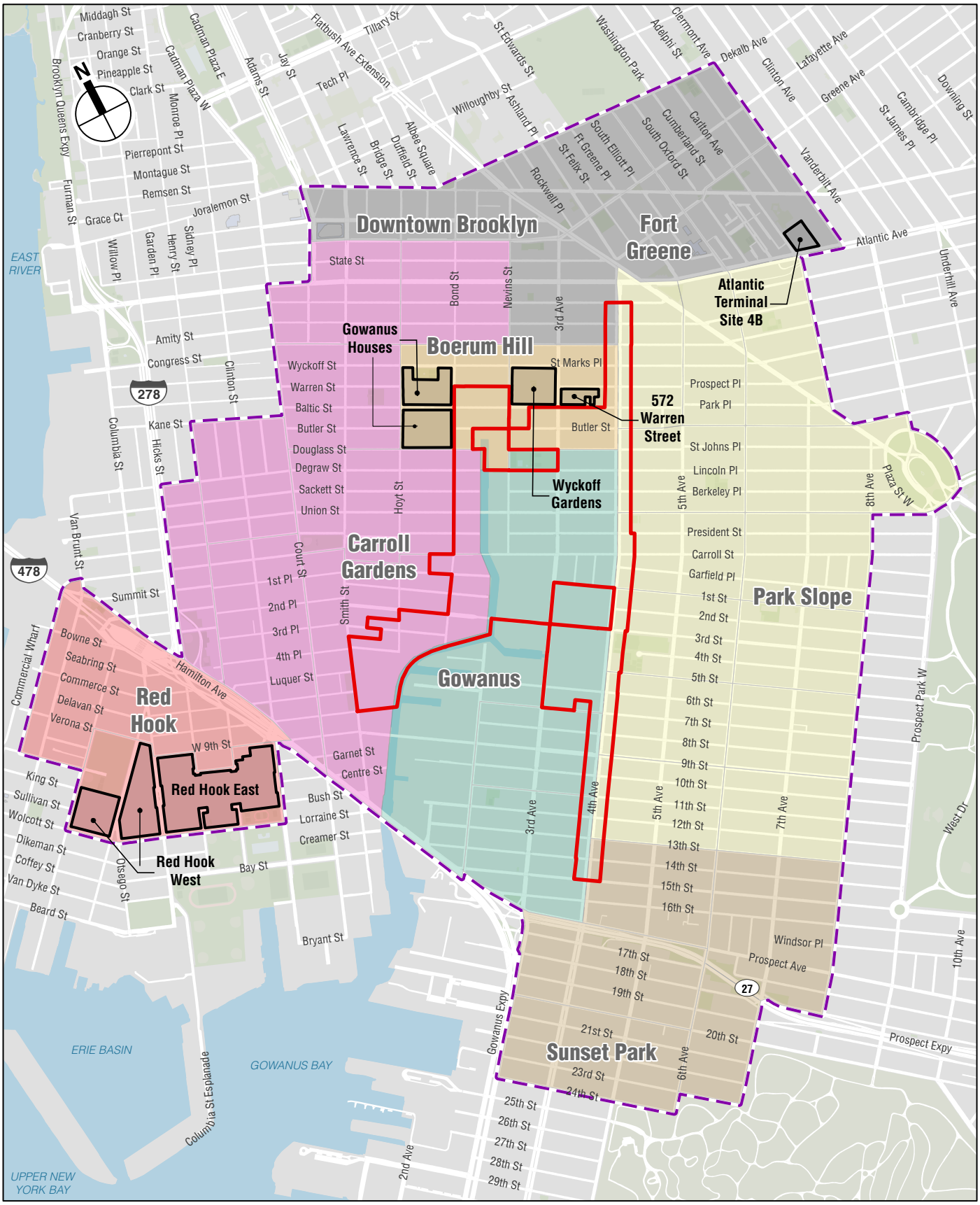
Residential rents have increased in the study area since 2010 (see **Table 3-6**). Median rent in the study area has increased by 20.6 percent and average rent has increased by 16.3 percent since 2010. Median and average rent in the study area are approximately $600 higher than those in Brooklyn and New York City overall. Rents in Subarea A are comparable to those in the study area and have increased since 2010. The comparative geography of Brooklyn experienced 18.7 percent growth in average gross rent and a 16.6 percent growth in median gross rent. Median gross rent in Subarea B is approximately 68 percent lower than that of the study area overall.

Table 3-6
Average and Median Gross Rents

Area	2006-2010 ACS		2014–2018 ACS		Change or Percent Change	
	Average[1]	Median[1]	Average[1]	Median[1]	Average	Median[3]
Socioeconomic Study Area	$1,686	$1,707	$1,962	$2,058	16.3%	20.6%
Subarea A	$1,524	$1,502	$2,157	$2,158	Increase	Increase
Subarea B	$854	$631	$1,122	$661	Increase	-
Brooklyn	$1,211	$1,197	$1,437	$1,397	18.7%	16.6%
New York City	$1,343	$1,256	$1,494	$1,419	11.3%	12.9%

Notes:
1. All dollar figures have been adjusted to 2019 dollars based on the U.S. Department of Labor Consumer Price Index for all urban consumers in the New York-Newark-Jersey City, NY-NJ-PA region.
2. If the MOE of the difference between 2006-2010 and 2014-2018 ACS data is greater than the difference, a change cannot be reported with confidence; if the MOE of the difference is greater than one third of the difference, a change cannot be estimated with confidence and only the direction of the change can be reported (i.e. Increase/Decrease).

Sources: U.S. Census Bureau, 2006-2010 and 2014-2018 ACS 5-Year Estimates via Social Explorer and DCP's NYC Population FactFinder.



New York City Housing Authority (NYCHA) Housing Locations

GOWANUS NEIGHBORHOOD REZONING AND RELATED ACTIONS

Figure 3-4

U.S. Census and ACS data do not provide specific rent information according to regulation status or unit size, but instead can paint a general picture about the rate at which housing costs are changing in a neighborhood. Market comparables were therefore used (below) to provide a fuller understanding of where the market is today. **Table 3-7** summarizes online listings for apartments for the study area as a whole and for Subareas A and B. The average rents presented in the table were calculated based on market-rate rental units, and in general are 1.5 to 3 times higher than the data presented by the 2014–2018 ACS.

Table 3-7
Average Asking Rents in the Study Area

	Studio	1BR	2BR	3BR or more
Socioeconomic Study Area	$2,202	$2,890	$3,957	$4,700
Subarea A	$1,573	$2,556	$3,505	$4,329
Subarea B	$2,650	$3,091	$4,182	$5,746

Source: StreetEasy (http://streeteasy.com) accessed in May 2019, August 2019.

NO ACTION CONDITION

In the future without the Proposed Actions (the No Action condition) it is anticipated that the existing trends of increasing rents and increasing household income in the study area would continue. In the No Action condition, MIH would not be mapped in the Project Area. Within the Project Area, there will be a net increase of 593 market-rate DUs and 8 affordable DUs above the existing condition on projected development sites. An additional 406 market-rate DUs will be developed within the Project Area on other sites.

Outside of the Project Area, 11,069 new market-rate and 2,387 new affordable units are planned to be completed by the analysis year of 2035. This background growth is concentrated in the northern and southern portions of the study area. In Downtown Brooklyn, multiple high-density mixed-use projects are planned, such as 80 Flatbush Avenue and the Pacific Park (formerly Atlantic Yards) project. Just south of the Project Area in Gowanus and south Park Slope, a number of medium-density residential and mixed residential and commercial projects are planned. A few smaller residential developments are planned to the west and east of the Project Area in the well-established residential neighborhoods of Carroll Gardens and Park Slope.

In the No Action condition, approximately 22 percent of the planned DUs in the study area (not on projected development sites) are projected to be affordable. A major source of future affordable housing development is Pacific Park, which will include 1,225 affordable units. The planned NYCHA NextGen project at NYCHA Wyckoff Gardens will create 604 new DUs, of which half will be affordable to households earning up to 60 percent AMI. Many of the planned developments in Downtown Brooklyn are subject to MIH; as such, 25 to 30 percent of new DUs will be affordable to households at 60 to 80 percent of the area median income (AMI), including 200 affordable DUs at 80 Flatbush Avenue, and 225 affordable DUs at 625 Fulton Street.

As identified in **Table 3-4**, there is an existing trend of increasing average and median household incomes in the study area. As shown in **Table 3-6**, there is a concurrent existing trend in the study area of increasing average and median gross rents. It is anticipated that the creation of over 2,000 affordable DUs in the study area would slow these trends to a degree. However, only eight units of affordable housing would be developed in the Project Area in the No Action condition. In the absence of MIH in the Project Area and based on the future No Action condition development of 999 market-rate DUs and eight affordable DUs, it is expected that existing trends would continue

into the future, leading to even higher incomes and rents in the No Action condition as compared with the existing population.

WITH ACTION CONDITION

Under the RWCDS, by 2035 the Proposed Actions would result in an incremental increase in the number of market-rate and affordable DUs, due in large part to the application of the MIH program to the Project Area. The MIH program sets forth two primary options that are characterized by different affordability levels, which promote a range of affordable development. The RWCDS assumes Option 1.[9]

- Option 1: 25 percent of residential floor area would be set aside for households making up to 60 percent Area Median Income (AMI) on average, with 10 percent of that number set aside for households making up to 40 percent AMI.
- Option 2: 30 percent of residential floor area would be set aside for households making up to 80 percent AMI.

New York City AMIs and affordable monthly rents by AMI are shown in **Tables 3-8** and **3-9**. AMIs are calculated yearly by the U.S Department of Housing and Urban Development (HUD).

Table 3-8
2020 New York City Area Median Income (AMI)

Family Size	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	100% of AMI	120% of AMI	130% of AMI	165% of AMI
1	$23,880	$31,840	$39,800	$47,760	$63,680	$79,600	$95,520	$103,480	$131,340
2	$27,300	$36,400	$45,500	$54,600	$72,800	$91,000	$109,200	$118,300	$150,150
3	$30,720	$40,960	$51,200	$61,440	$81,920	$102,400	$122,880	$133,120	$168,960
4	$34,110	$45,480	$56,850	$68,220	$90,960	$113,700	$136,440	$147,810	$187,605
5	$36,840	$49,120	$61,400	$73,680	$98,240	$122,800	$147,360	$159,640	$202,620

Source: U.S. Department of Housing and Urban Development (HUD)

Table 3-9
2020 New York City Affordable Monthly Rents by Area Median Income (AMI)

Unit Size	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	100% of AMI	120% of AMI	130% of AMI	165% of AMI
Studio	$397	$567	$738	$909	$1,250	$1,643	$1,985	$2,155	$2,753
1 BR	$503	$717	$930	$1,143	$1,570	$2,060	$2,487	$2,700	$3,446
2 BR	$598	$854	$1,110	$1,366	$1,878	$2,467	$2,979	$3,235	$4,131
3 BR	$683	$978	$1,274	$1,570	$2,161	$2,841	$3,432	$3,728	$4,762

Notes: Assumes tenant pays electricity. Rents are approximate and have been calculated at 30 percent of annual gross income of the target AMI. For low-income bands, rents are based on 30 percent of 27 percent, 37 percent, 47 percent, 57 percent, and 77 percent of AMI. Studio rents are based on a household factor of 0.6.
Source: HUD

On the projected development sites, a total of 9,311 DUs would be developed for an increment of 8,495 over the No Action condition. Three projected development sites (Sites 36, 47, and 51), are

[9] For the purposes of the socioeconomic analyses, Options 1 and 2 resulted in similar average incomes of the new population in the With Action condition. Option 1 is used for consistency with the RWCDS.

intended to be developed with 100 percent affordable housing for a total of 1,172 affordable units on these sites, which goes beyond the requirements of MIH. However, for the purposes of a conservative analysis, of the 1,172 DUs on these sites, only 50 percent (585 unit DUs) are assumed to be affordable. Because the level of affordability at Sites 36, 47, and 51 is not known at this time, it is conservatively assumed that these 585 units would be affordable at an average of 80 percent AMI. In addition to these affordable DUs, 1,955 affordable units would be created on projected development sites through MIH at an average of 60 percent AMI. This analysis assumes that the Proposed Actions would result in a total of 2,471 affordable DUs and 6,731 market rate DUs.

Average Household Income of the With Action Population

Table 3-10 shows the estimated distribution of new market rate units in the With Action condition by number of bedrooms. There would be a total of 6,731 market-rate units on projected development sites in the With Action condition. Based on the existing mix of unit-types in the study area, approximately 9 percent would be studios, 31 percent would be one-bedroom units, 34 percent would be two-bedroom units, and 26 percent would be three-or-more-bedroom units.

Table 3-10
Market Rate Units by Number of Bedrooms

	Percent	Number
Total units proposed	**100%**	**6,731**
Studio	8.9%	599
One Bedroom	30.9%	2,080
Two Bedroom	33.9%	2,282
Three bedrooms or larger	26.3%	1,770

Notes: Total units in the With Action condition is 9,311. Of the 9,311, it is assumed that 2,580 would be affordable and 6,731would be market rate.
Sources: Distribution of units by number of bedrooms is sourced from the 2014-2018 ACS.

Table 3-11 shows the calculations used to estimate the average household income of the market rate units. Using the average monthly rent by bedrooms, the estimated household income for each type of unit was estimated, assuming that households spend 30 percent of their gross monthly income on rent. Then, the estimated annual incomes were multiplied by the number of units to determine the aggregate income for all the units. Finally, this aggregate was divided by the total number of market rate units to determine the average household income of the market rate units of $146,682.

In the With Action condition, approximately 25 percent of units on projected development sites would be affordable at 60 percent AMI ($54,600 for a family of 2), with the exception of 585 units on three sites (Sites 36, 47, and 51) that are conservatively assumed to be affordable at 80 percent AMI ($72,800 for a family of 2). **Table 3-12** shows the average household income of both the affordable and market-rate units. The same methodology used in **Table 3-11** was used in **Table 3-12**. The average income of market rate units was multiplied by the total number of market rate units. The average income of affordable units at 60 percent AMI was multiplied by the total number of MIH affordable units. The average income of affordable units at 80 percent AMI was multiplied by the total number of affordable units assumed on Sites 36, 47, and 51. These three numbers were added together to determine the aggregate income for all the units. This aggregate income was divided by the total number of units to determine the average income for all units of $122,310.

Table 3-11
Weighted Average Income of With-Action Market-Rate Renters

Number of Bedrooms	Monthly Rent	Estimated Gross Monthly Income[1]	Estimated Gross Yearly income	Units	Aggregate Income by Number of Bedrooms (Yearly Income x Units)
Studio	$2,202	$7,339	$88,000	599	$52,717,200
One Bedroom	$2,890	$9,634	$116,000	2,080	$241,266,000
Two Bedroom	$3,958	$13,193	$158,000	2,282	$360,525,800
Three bedrooms or larger	$4,700	$15,668	$188,000	1,770	$332,807,600
Total				6,731	$987,316,500
Weighted Average Income of Market Rate Units (Aggregate Income ÷ Total Units)					**$146,682**

Notes: 1.Monthly income was estimated using the assumption that renters spend 30 percent of their gross monthly income on rent.
Numbers may not sum to totals due to rounding.
Sources: Monthly rent from Street Easy Listings, August 2019; Percent of units by number of bedrooms from 2014-2018 ACS

Table 3-12
Weighted Average Income of Total With Action Population

	Income	Units	Aggregate Income (Income x Units)
Market rate	$146,682	6,731	$987,316,500
Affordable MIH[1]	$54,600	1,995	$108,927,000
Other affordable[2]	$72,800	585	$42,588,000
Total	1,130,556,800	9,311	1,138,831,500
Weighted Average Income of the With Action Population (Aggregate Income ÷ Total Units)			**$122,310**

Notes: 1. Affordable income is based on 60 percent AMI for a family of two (See **Table 3-8**)
2. As the affordability level at Sites 36, 47, and 51 is currently unknown, this analysis uses a conservative assumption of 80 percent AMI for a family of two (See **Table 3-8**).
Sources: HUD

Study Area

In the With Action condition, the average household income of new residents would be less than the average household income of existing residents in the study area. In the With Action scenario, the average household income of the incoming population would be approximately $122,310—approximately $38,000 less than the average household income of the existing study area population. The 2014-2018 ACS estimate of average household income of the existing population has a margin of error of (+/-) $5,431, which is less than the difference between the household incomes of the existing and future populations. As the expected average income of the new population would be less than the average income of the existing study area population as a whole, no further analysis of the overall study area is warranted. The following sections consider Subareas A and B.

Subarea A

In the With Action condition, the average household income of the new population ($122,310) would be less than the average household income of the existing population in Subarea A ($126,880). However, because the margin of error of the average household income of the subarea

is (+/-) $13,519, there is a possibility that the new population would have a higher average household income than the existing population. Therefore, to provide a conservative analysis, Step 2 of the *CEQR Technical Manual* preliminary indirect residential displacement assessment is warranted for Subarea A.

Subarea B

In the With Action condition, the average household income of the new population ($122,310) would exceed the average household income of the existing population in Subarea B ($99,884). Therefore, in accordance with *CEQR Technical Manual* guidelines, Step 2 of the preliminary indirect residential displacement assessment is warranted for Subarea B.

2. Determine if the Proposed Actions' increase in population is large enough relative to the size of the population expected to reside in the subareas without the Proposed Actions to affect real estate market conditions in the subareas.

According to *CEQR Technical Manual* analysis thresholds, if the population increase is greater than five percent in identified subareas, the incremental population may be large enough to affect real estate market conditions, and Step 3 of the preliminary assessment would be warranted. If the population increase is more than 10 percent in identified subareas, a detailed analysis is warranted.

According to the 2014–2018 ACS, the population of Subarea A is 6,005 and the population of Subarea B is 9,690. As shown in **Table 3-13**, between 2010 and 2018, the population estimate for Subarea A changed from approximately 6,048 to approximately 6,005; however, because of the size of the margins of error, the directionality of population change over this period cannot be reported with statistical confidence. According to the 2014–2018 ACS, the population of Subarea B is approximately 9,690, an increase from approximately 8,103 in 2010.

Table 3-13
Study Area Population Estimates and Projections
Existing Conditions and Future Without the Proposed Actions

	2006-2010 ACS	2014–2018 ACS	Percent Change 2000 to 2010–2018	2035 Population Projections in No Action Condition	Percent Change 2018 to 2035 No Action Condition
Subarea A	6,048	6,005	-	6,355	6%
Subarea B	8,103	9,690	Increase	11,784	22%

Source: U.S. Census Bureau 2006-2010, 2014-2018 ACS, Year 2035 population projection based on no build projects on projected development sites and other planned projects in the subareas and average household size of 2.19 persons per DU for Community District.

In the No Action condition, anticipated growth on projected development sites and other planned projects in Subarea A will increase the subarea population by approximately 350 residents, an approximate six percent increase. Subarea B will experience an increase of approximately 2,000 residents in the No Action condition, an approximate 22 percent increase.

In the With Action condition, both subareas would experience substantial population growth compared with the No Action condition (see **Table 3-14**). Subarea A would experience an increase of 8,250 residents, a 130 percent increase over the No Action condition. Subarea B would experience a 13 percent increase in population (increment of 1,500 residents) in the With Action condition as compared with the No Action condition. As population growth in both subareas in the With Action condition would exceed the No Action condition by over 10 percent, for both

subareas a detailed analysis of indirect residential displacement is warranted (see section D, "Detailed Analysis of Indirect Residential Displacement").

Table 3-14
With Action Condition Population

	2035 Population Projections No Action Condition	Number of Incremental DUs	Projected Population Increase from With Action Dwelling Units	Percent Change from 2035 With Action Condition
Subarea A	6,355	3,767	8,250	130%
Subarea B	11,784	701	1,535	13%

Sources: U.S. Census Bureau 2014–2018 ACS. Year 2035 population projection based on no build projects on projected development sites and other planned projects in the subareas and average household size of 2.19 for Community District 6.

INDIRECT BUSINESS DISPLACEMENT

Similar to the analysis of indirect residential displacement, the preliminary assessment of indirect business displacement focuses on whether the Proposed Actions could increase property values and rents within the study area, making it difficult for some categories of businesses to remain in the area. The preliminary analysis follows the methodology of the *CEQR Technical Manual* in analyzing the criteria numbered in bold, italics below.

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

The Proposed Actions would facilitate the introduction of new residential and commercial uses. With the Proposed Actions the residential uses would include a combination of affordable and market-rate units, and the commercial uses would include retail and office space. As shown in **Table 3-15**, the Project Area and broader study area have well-established residential, retail and office markets such that the Proposed Actions would not be introducing new economic activities to the projected development sites or to the study area.

Table 3-15
Existing Land Uses and Incremental Land Uses under the Proposed Actions RWCDS

Use	Existing Amount on Projected Development Sites	Existing Amount in Study Area	No Action Development on Projected Development Sites	No Action Development in Study Area (not on Projected Development Sites)	Incremental Amount Introduced Under the Proposed Actions RWCDS
Residential	223 DUs	71,381 DUs	Approx. 800 DUs	11,069 DUs	8,495 DUs
Commercial (office)	88,219 sf	8,318,503 sf	Approx. 375,000 sf	1,645,164 sf	561,756 sf
Commercial (retail)	131,047 sf	7,199,049 sf	Approx. 345,000 sf	619,506 sf	269,638 sf

Sources: Existing use estimates for projected development sites and incremental use amounts introduced under the Proposed Actions RWCDS were based on 2018 MapPLUTO Data. Existing use estimates for the socioeconomic study area based on 2018 MapPLUTO GIS data.

The Proposed Actions are also intended to strengthen and promote the use of certain areas for non-residential uses, such as light industrial uses. Approximately 99,000 sf of industrial space is

expected to be developed on the projected development sites with the Proposed Actions. This would be a net reduction in industrial space compared to No Action conditions, and therefore would not constitute a new economic activity with the potential to alter existing patterns in the study area.

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

RESIDENTIAL USES

In most cases, indirect displacement of businesses occurs when a project would markedly increase property values and rents throughout the study area, making it difficult for some categories of businesses to remain in the area. An example of a potentially vulnerable business cited in the *CEQR Technical Manual* is industrial business in an area where land use change is occurring, and the introduction of a new population would result in new commercial or retail services that would increase demand for services and cause rents to rise. The Proposed Actions would add to the concentration of residential uses in the study area, but the study area contains well-established residential neighborhoods and consumer markets, and is already experiencing an ongoing trend toward the development of residential uses. As evidenced by the No Action condition and recent developments within the study area, there is an existing trend towards market-rate residential development. Recent market-rate residential developments in the study area include a 429-unit building at 365 Bond Street, a 63-unit building at 223 4th Avenue known as 223 Park Slope, a 19-unit building at 243 4th Avenue known as Parlour, a 303-unit building at 38 6th Avenue, a 64-unit building at 470 Dean Street, a 70-unit building at 595 Baltic Street, a 183-unit building at 1 Flatbush Avenue, a 184-unit building at 10 Nevins Street known as Brooklyn Grove, a 368-unit building at 45 Hoyt Street known as Hoyt and Horn, a 74-unit building at 241 Atlantic Avenue, and many others.

The Proposed Actions would facilitate the creation of new residential uses in mixed-use developments, particularly along major north–south corridors (3rd and 4th Avenues) and east–west corridors (Union, Carroll, and 3rd Streets), around Thomas Greene Playground, and along the Canal. In these areas, the Proposed Actions would provide significant amounts of new housing for current and future residents, including in areas where residential development is not currently permitted. This would introduce a new residential population, but the demand for goods and services from existing residents has already established a strong commercial market such that the influence of new residents would not markedly increase commercial property values and rents throughout the study area. Additionally, the introduction of a new residential population would increase demand for the goods and services provided by existing businesses.

Furthermore, in recent years new non-residential development in the Project Area has been precluded by the existing zoning's relatively low permitted densities coupled with high parking, loading, and other requirements. The combination of outdated zoning and broader economic and demographic conditions has resulted in few new buildings constructed within the Project Area in the last few decades other than hotels and self-storage facilities. Since new commercial and industrial construction is mostly infeasible, former industrial buildings have been adaptively reused for commercial, light industrial, and arts-related uses.

COMMERCIAL USES

Commercial uses include both retail and office uses. In terms of retail uses, there currently exists 131,047 sf of retail floor area on the projected development sites and approximately 7.2 million sf

of retail floor area in the study area. In the No Action condition, it is projected that approximately 345,000 sf of Retail Trade space would be developed on the projected development sites, based on development trends and *CEQR Technical Manual* guidance for projecting the amount and location of future new development. Furthermore, as presented in Chapter 2, "Land Use, Zoning, and Public Policy," other known development projects within the socioeconomic study area will introduce approximately 1 million sf of retail space (including the additional retail space on the projected development sites). These factors indicate there is currently a trend of increasing development of retail space in the study area. The Proposed Actions would add an increment of 269,638 sf of Retail Trade space (local retail, with a decrease in destination retail compared with the No Action condition), which would be more dispersed than projected retail in the No Action condition. The Proposed Actions would facilitate the introduction of new retail uses in the Project Area, particularly in the Gowanus neighborhood where retail uses are currently limited compared with other areas of the socioeconomic study area. However, as noted above, new commercial and industrial construction in the Project Area is unlikely under the current zoning, and former industrial buildings have been adaptively reused for commercial, light industrial, and arts-related uses, indicating an existing trend towards commercial development in the Project Area. Therefore, the retail added under the RWCDS would not be enough to alter or accelerate ongoing trends.

In terms of office uses, within the wider study area, there are many businesses in industries that are often sited in office buildings, such as the Finance and Insurance sector (105 firms in the study area); Real Estate, Rental and Leasing sector (306 firms in the study area), Professional, Scientific, or Technical Services sector (581 firms in the study area), or the Information sector (206 firms in the study area). Commercial office uses in the socioeconomic study area are located primarily in Downtown Brooklyn, which is Brooklyn's central business district characterized by high-density commercial and mixed-residential and commercial buildings

The Proposed Actions would reinforce existing trends of office space development in the study area. According to existing land use and building data available through MapPLUTO, 88,219 sf of office floor area currently exist on the projected development sites. In the No Action condition, it is projected that approximately 375,000 sf of office space would be developed on the projected development sites, based on development trends and *CEQR Technical Manual* guidance for projecting the amount and location of future new development. Furthermore, as presented in Chapter 2, "Land Use, Zoning, and Public Policy," other known development projects within the socioeconomic study area will introduce approximately 1.65 million sf of office space, mostly in Downtown Brooklyn. These factors indicate a trend of office space development in the study area. Demand for office space in study area is supported by the City's rapidly growing and diversifying economy, and by a growing residential population, which, consistent with Citywide trends over the past three decades, is interested in working and living in older industrial neighborhoods, such as the area surrounding the Canal. These factors support a trend towards office development in the study area as well as in other areas of Brooklyn, including in Downtown Brooklyn, Williamsburg, and the Brooklyn Navy Yard. Furthermore, within the Project Area, commercial businesses, offices, and other uses that serve the surrounding residential communities have increased in recent years. The reinvestment in and reactivation of older loft buildings for a variety of commercial office and artist spaces indicate a growing local demand for new office and other workspaces. In the With Action condition, there would be an increment of 561,756 sf of office space. This new office space is expected to respond to the local demand for new office space and other workspaces, and is not enough to substantively alter or accelerate trends. The Proposed Actions would contribute to the existing economic trend toward increased office development within the study area, thereby creating new opportunities for companies to locate in Gowanus.

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

The Proposed Actions would not directly displace uses that offer critical support services to the remaining local businesses, or that draw a substantial customer base to the study area. As described in Section C, under "Direct Business Displacement," businesses from several economic sectors could be directly displaced, with the largest number of businesses from the "Other Services (except Public Administration)" sector. These businesses do not draw large volumes of customers to their locations relative to the overall consumer draw within the study area, nor are these firms relied upon exclusively for products or services by business establishments in the study area. Therefore, the potential displacement of these businesses would not have a significant adverse effect on the remaining businesses or consumers in the study area.

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

The Proposed Actions would not directly or indirectly displace residents, workers, or visitors who form a substantial portion of the customer base of existing businesses in the study area. In the future with the Proposed Actions, any potential loss of existing residential customers would be more than offset by the introduction of a new residential population (increment of 8,495 DUs) within the Project Area and within the surrounding study area. Similarly, the Proposed Actions would increase the number of daytime workers and visitors relative to existing numbers in the Project Area. New employment resulting from the Proposed Actions would bring an increment of approximately 3,500 workers,[10] greatly increasing the customer base of existing businesses in the study area. The influx of residents and employees to the study area would add to the customer base of existing study area businesses.

Based on the above consideration of CEQR criteria, this preliminary assessment finds that the Proposed Actions would not add a new economic activity or add to a concentration of a particular sector of the local economy enough to significantly alter or accelerate existing economic patterns. The Proposed Actions would not directly or indirectly displace uses that provide critical support to businesses in the study area, or that bring people into the area that form a substantial portion of the customer base for local businesses. As such, the Proposed Actions would not result in significant adverse socioeconomic impacts due to indirect business displacement, and no further assessment is warranted.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

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

1. Would the Proposed Actions significantly affect business conditions in any industry or any category of business within or outside the study area?

The Proposed Actions would not significantly affect the business conditions in any industry or any category of business within or outside the study area. As described in the direct business

[10] Worker estimate based on employment ratios frequently utilized in CEQR analyses, and assumes a fully leased increment of warehouse, community facility, and commercial space resulting from the Proposed Actions.

displacement analysis above, by 2035 the Proposed Actions could directly displace an estimated 45 businesses and 600 employees in several economic sectors, as described in **Table 3-3**.

As described above, the businesses that could be displaced do not represent a critical mass of businesses within any City industry, category of business, or category of employment. Although these businesses are valuable individually and collectively to the City's economy, the goods and services offered by potentially displaced uses can be found elsewhere within the socioeconomic study area, within a broader trade area, and within the City as a whole. Furthermore, the products and services offered by potentially displaced businesses are not essential to the viability of other businesses within or outside the study area. Therefore, the proposed actions would not adversely affect business conditions in any specific industry within or outside the study area.

2. Would the Proposed Actions indirectly substantially reduce employment or have an impact on the economic viability in the industry or category of business?

As described in the Indirect Business Displacement analysis, the Proposed Actions would not result in significant indirect business displacement. Therefore, the Proposed Actions would not indirectly substantially reduce employment or have an impact on the economic viability in any specific industry or category of business.

Based on this preliminary assessment, the Proposed Actions would not result in significant adverse impacts due to adverse effects on specific industries.

D. DETAILED ANALYSIS OF INDIRECT RESIDENTIAL DISPLACEMENT

EXISTING CONDITIONS AND TRENDS

HOUSEHOLD INCOME

Subarea A

Table 3-16 presents median and average income trends. In Subarea A, average and median household incomes have increased since 2010. Median household income in Subarea A ($95,483) is approximately $38,500 higher than median household income in Brooklyn and approximately $34,000 higher than median household income in New York City overall. Average household income in Subarea A ($126,880) is approximately $40,000 higher than that of Brooklyn and approximately higher than that of New York City overall.

Subarea B

In Subarea B, average household income has increased since 2010. The directionality of change in median household income since 2010 cannot be estimated with confidence. Average household income in Subarea B ($99,884) is similar to average household incomes in Brooklyn and New York City overall. Median household income in Subarea B ($40,222) is lower than median household income in New York City overall.

Table 3-16
Household Income Characteristics (2006-2010, 2014-2018 ACS)

Area	Average Household Income			Median Household Income		
	2006 -2010 ACS[1]	2014–2018 ACS[1]	Change or Direction of Change[2]	2006 -2010 ACS[1]	2014–2018 ACS[1]	Change or Direction of Change[2]
Subarea A	$87,486	$126,880	Increase	$69,946	$95,483	Increase
Subarea B	$67,000	$99,884	Increase	$36,626	$40,222	-
Brooklyn	$73,511	$87,330	18.8%	$51,115	$56,941	11.4%
New York City	$91,393	$99,261	8.6%	$58,997	$61,766	4.7%

Notes:
1. All dollar figures have been adjusted to 2019 dollars based on the U.S. Department of Labor Consumer Price Index for all urban consumers in the New York-Newark-Jersey City, NY-NJ-PA region.
2. If the margin of error (MOE) of the difference between 2006-2010 and 2014-2018 ACS data is greater than the difference, a change cannot be reported with confidence; if the MOE of the difference is greater than one third of the difference, a change cannot be estimated with confidence and only the direction of the change can be reported (i.e., Increase/Decrease).

Sources: U.S. Census Bureau, 2006-2010 and 2014-2018 ACS 5-Year Estimates via DCP's NYC Population FactFinder.

HOUSEHOLD INCOME DISTRIBUTION

Subarea A

Table 3-17 shows household income distribution. In Subarea A, 64 percent of households make over $75,000 annually and 27 percent of households make over $150,000 annually, whereas in the comparison geographies, approximately 40 percent of households have an annual income of over $75,000. Approximately 17 percent of households earn less than $34,999 annually, as compared to 35 percent in Brooklyn and 33 percent in New York City overall.

Table 3-17
Household Income Distribution 2018

	Subarea A		Subarea B		Brooklyn		New York City	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total households	2,587	100%	3,405	100%	950,856	100%	3,154,103	100%
Less than $34,999	441	17%	1,549	46%	331,306	35%	1,030,758	33%
$35,000 to $74,999	511	20%	643	19%	243,885	26%	794,632	25%
$75,000 to $149,999	946	37%	656	19%	233,572	25%	785,720	25%
$150,000 or more	689	27%	557	16%	142,093	15%	542,993	17%

Note: Components may not sum to totals due to rounding.
Source: U.S. Census Bureau 2014–2018 ACS.

Subarea B

In Subarea B, approximately 46 percent of households earn less than $34,999 annually, compared to 35 percent in Brooklyn overall and 33 percent in New York City overall. Approximately 16 percent of households in Subarea B have household incomes over $150,000, which is similar to the income distribution in Brooklyn and New York City overall.

POPULATION LIVING IN POVERTY

Subarea A

As shown in **Table 3-18**, in Subarea A, the percentage of the population living in poverty is lower than in Brooklyn across all age groups. The percentage of children (under 18) that are living in poverty (21 percent) in Subarea A is lower than that in Brooklyn (29 percent) and New York City overall (27 percent). The percentage of seniors (65 and older) living in poverty in Subarea A is equal to the rate in New York City overall.

Table 3-18
Percentage of Population Living Below Poverty Level

	Subarea A	Subarea B	Brooklyn	NYC
Under 18 years	21%	41%	29%	27%
18 years and over	13%	33%	19%	17%
18 to 64 years	12%	32%	18%	17%
65 years and over	18%	34%	22%	18%

Notes: Poverty threshold is set by the U.S Census Bureau based on family income, family size, and composition.
Source: U.S. Census Bureau 2014–2018 ACS.

Subarea B

Subarea B has a higher percentage of the population living in poverty than in Brooklyn and New York City overall, across all age groups. The percentage of the population living in poverty in Subarea B is 41 percent for those under 18, and about a third of adults and seniors.

HOUSING UNITS, VACANCY, AND TENURE

Subarea A

As shown in **Table 3-19**, there are approximately 2,853 housing units in Subarea A, of which approximately 91 percent are occupied. There were approximately 2,799 housing units in the subarea in 2010, of which approximately 97 percent were occupied. Subarea A's occupancy rate (91 percent) and rate of renter-occupied units (67 percent) are similar to rates in Brooklyn and New York City overall.

Table 3-19
Housing Units, Vacancy, and Tenure

	Total Housing Units		Percent Occupied		Percent Renter-Occupied Units	
	2006-2010	2014-2018	2006-2010	2014-2018	2006-2010	2014-2018
Subarea A	2,799	2,853	97%	91%	62%	67%
Subarea B	3,373	3,652	95%	93%	89%	88%
Brooklyn	986,482	1,035,746	92%	92%	70%	70%
New York City	3,343,424	3,472,354	91%	91%	67%	67%

Sources: U.S. Census Bureau 2014–2018 ACS.

Subarea B

There are approximately 3,652 housing units in Subarea B; in 2010, there were approximately 3,373 housing units. Of the total units in the subarea, approximately 93 percent are occupied; in 2010, the occupancy rate was approximately 95 percent. The occupancy rate in Subarea B is similar to that of Brooklyn and New York City overall. Approximately 88 percent of units in the subarea are renter-occupied, which is a higher percentage of renter households than is found in Brooklyn (70 percent) and New York City overall (67 percent).

HOUSING UNITS BY YEAR STRUCTURE BUILT

Subarea A

Subarea A consists mainly of housing units built prior to 1949, which comprise 69 percent of housing units in the subarea, as compared with 60 percent in Brooklyn and 51 percent in New York City overall. The subarea saw little housing construction between 1950 and 1999—17 percent of units were built during this period, while 32 percent of housing units in Brooklyn and 41 percent of housing units in New York City were built during the same time period. Approximately 14 percent of units were built in 2000 or later.

Subarea B

Like Brooklyn and New York City overall, Subarea B consists mainly of older housing stock (see **Table 3-20**). Approximately 42 percent of housing units in the subarea were built in 1949 or prior, this includes the brownstones found in the Boerum Hill Historic District and the NYCHA Gowanus Houses built in 1949. From 1950 to 1999, 46 percent of units in the subarea were built, including NYCHA Wyckoff Gardens (1966) and 572 Warren Street (1972). Only 12 percent of housing units were built in the subarea in 2000 or later.

Table 3-20
2018 Housing Units by Year Structure Built

	Subarea A		Subarea B		Brooklyn		New York City	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Housing Units:	2,853	100%	3,652	100%	1,035,746	100%	3,472,354	100%
Built 2000 or Later	406	14%	439	12%	80,910	8%	275,466	8%
Built 1950 to 1999	485	17%	1,681	46%	335,368	32%	1,428,593	41%
Built 1949 or Earlier	1,962	69%	1,532	42%	619,468	60%	1,768,295	51%

Sources: U.S. Census Bureau 2014–2018 ACS.

HOUSING UNITS IN STRUCTURE

Subarea A

As shown in **Table 3-21,** In Subarea A, most housing units are in structures with one to nine units. These smaller buildings are mainly older three- to five- story mixed-use buildings on 3rd and 4th Avenue and two- to-four story residential buildings on the east-west streets. Residential buildings with ten or more units are primarily located on 4th Avenue in recently-constructed mixed-use buildings.

Subarea B

In Subarea B, over half of housing units are located in buildings with 50 or more units. These large multi-family buildings are part of the NYCHA developments in the subarea. The other housing stock in the subarea consists of one- to four-unit brownstones, five- to nine-unit older multi-family apartment buildings, and a few recently constructed residential and mixed-use buildings with 10 or more units.

Table 3-21
Units in Structure

Units in Structure	Subarea A		Subarea B	
	Estimate	Percent	Estimate	Percent
1 to 2	893	31%	353	10%
3 to 4	825	29%	405	11%
5 to 9	604	21%	362	10%
10 to 49	277	10%	550	15%
50 or more	254	9%	1,977	54%
Total	2,853	100%	3,652	100%

Notes: Components may not sum to totals due to rounding.
Sources: U.S. Census Bureau 2014–2018 ACS

GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME

Table 3-22 shows gross rent as a percentage of household income for renter-occupied units. If a household is paying more than 30 percent of gross income toward rent, that household is considered rent-burdened. If the household is paying over 50 percent of gross income toward rent, the household is considered severely rent-burdened.

Table 3-22
Renter-Occupied Housing Units by Gross Rent as Percentage of Household Income

	29% or less (Not Rent-Burdened)		30% or more (Rent-Burdened)		50% or more (Severely Rent-Burdened)	
	2006-2010	2014-2018	2006-2010	2014-2018	2006-2010	2014-2018
Subarea A	56%	56%	44%	42%	23%	25%
Subarea B	69%	65%	31%	35%	7%	13%
Brooklyn	44%	45%	51%	55%	28%	31%
New York City	47%	47%	49%	54%	26%	29%

Sources: U.S. Census Bureau 2014–2018 ACS

Subarea A

In Subarea A, 42 percent of households are rent-burdened, of which over half are severely rent-burdened (25 percent). There was little change in the percentage of rent-burdened households in Subarea A between 2010 and 2017. In Brooklyn and New York City, slightly over half of households are rent-burdened and 30 percent are severely rent-burdened. Subarea A has lower percentages of households who are severely rent-burdened than Brooklyn and New York City overall.

Subarea B

In Subarea B, 35 percent of households are rent-burdened, including 13 percent of households who are severely rent-burdened; in 2010, 31 percent of households were rent-burdened, including 7 percent who were severely rent-burdened. In Brooklyn and New York City, slightly over half of households are rent-burdened and 30 percent are severely rent-burdened. Subarea B has lower percentages of households who are rent-burdened or severely rent-burdened than Brooklyn and New York City overall.

MARKET RENTS

Subarea A

As discussed above, gross rents reported by ACS are often much lower than advertised market-rate rents. **Table 3-23** shows average market rents by number of bedrooms, gathered from online rental listings. Average market rents in Subarea A are lower than those found in Subarea B, ranging from $1,500 for a studio to over $4,000 for units with three or more bedrooms. Listings in the subarea are found on 3rd and 4th Avenues and on the blocks in between. Units for rent are found in a mix of buildings including older mixed-use four-story buildings on 4th Avenue and new 12-story luxury residential buildings, such as 251 7th Street and 202 8th Street.

Table 3-23
Average Market Rents

	Subarea A	Subarea B
Studio	$1,573	$2,650
1-Bedroom	$2,556	$3,091
2-Bedroom	$3,505	$4,182
3+ -Bedroom	$4,329	$5,746
Source: StreetEasy, August 19, 2019		

Subarea B

Average asking rents in Subarea B are quite high, ranging from approximately $2,600 to $5,700. Rental listings are primarily found on 4th Avenue, Warren Street, Baltic Street, and Wyckoff Street. Advertised units are in a mix of new residential and mixed-use buildings, such as 595 Baltic and 110 4th Avenue; older apartment buildings; and brownstones in the Boerum Hill Historic District.

RECENT RESIDENTIAL CONSTRUCTION ACTIVITY

Subarea A

Table 3-24 shows new buildings and major alterations (A1) completions for residential buildings filed or issued since 2012. In Subarea A, alterations and new buildings resulted in a gain of 224 DUs, while 28 demolitions resulted in a loss of 63 DUs, for a net increase of 161 DUs in the subarea. Major new developments include 237 11th Street (a mixed-use 12-story building with 105 residential units) and 202 8th Street (a 12-story, 51-DU building). Major alterations include conversions from two- and three-family homes to one-family homes, primarily on Carroll Street.

Subarea B

In Subarea B, 182 DUs have been gained since 2012. Major new developments include 312 Bergen Street on Bergen Street and 3rd Avenue, an eight-story building with 84 DUs; 599 Baltic Street, a mixed-use nine-story building with 70 DUs; and 610 Warren Street, a seven-story, 31-DU building. These multi-family residential and mixed-use buildings are luxury buildings with extensive amenities. Other development in the subarea primarily consists of conversions of historic brownstones from two- or three- family homes to two- and one-family homes, resulting in the loss of DUs.

Table 3-24
Certificates of Occupancy and Residential Demolitions 2012-2019

	Subarea A		Subarea B	
	Certificates	Net DUs	Certificates	Net DUs
Alterations	24	6	19	-17
New Buildings	10	218	5	215
Demolitions	28	-63	5	-16
Total	**62**	**161**	**29**	**182**

Sources: New York City Department of City Planning, October 8, 2019

ESTIMATES OF POTENTIALLY VULNERABLE POPULATION IN UNPROTECTED UNITS

A key objective of the detailed indirect residential displacement analysis is to characterize existing conditions of residents and housing in order to identify populations that may be vulnerable to displacement. Vulnerable populations are defined as people living in privately held units that are unprotected by rent regulations, whose incomes or poverty status indicates that they could not pay substantial rent increases. The following analyses estimate the percentage of low-income renters and the protected and unprotected housing stock in the subareas.

Subarea A

Low-income households are defined as those households making 80 percent AMI or less. AMI is set by HUD and is based on the median income of the New York City region and household size (see **Table 3-8**). Data on household income by subarea and by tenure can only be tabulated using PUMS data for Public Use Microdata Area (PUMA) geographies. Subarea A falls within the Park Slope, Carroll Gardens, and Red Hook PUMA (PUMA 4005). PUMA 4005 roughly aligns with Community District 6. As shown in **Table 3-25**, approximately 36 percent of renter households in the PUMA 4005 have household incomes at or below 80 percent AMI.

Table 3-25
Low–Income Renters, PUMA 4005

Household Size	HUD 80% AMI Income Limit	Renter Occupied Households at or Below 80% AMI
1	$59,760	4,745
2	$68,320	3,086
3	$76,880	1,805
4	$85,360	691
5	$92,240	330
6	$99,040	255
7	$105,920	148
8+	$112,720	-
Total Low-Income Renter-Occupied Households		11,060
Total Renter-Occupied Households		30,621
Percent Low-Income Renters		36%
Sources: 2013-2017 Public Use Microdata Sample; U.S. Department of Housing and Urban Development 2019; U.S. Census Bureau 2013–2017 ACS;		

There are 2,587 occupied housing units in the subarea, of which 1,736 (67 percent) are renter-occupied. Applying the percentage of low-income renter households in the PUMA to the subarea results in an estimated 627 low-income renter households in the subarea. Based on data from the NYU Furman Center and the HCR Rent Stabilized Buildings List, there is an estimated total of 685 protected DUs in the subarea (see **Table 3-26**). Some, such as NYCHA units and units in buildings receiving the Low-Income Housing Tax Credit (LIHTC) are income-restricted protected units, meaning residents must be low-income to live there. Other units are non-income-restricted protected units, such as rent stabilized units, meaning that residents do not have to be low-income to live in the units.[11] In order to determine where the low-income renters in the subarea reside, the following methodology is employed: Income-restricted protected units are assumed to be occupied by low-income households. If there are more low-income renter households than income-restricted protected units, this analysis proportionally (based on the ratio of non-income restricted units and unprotected units) allocates the remaining low-income renter households between non-income restricted protected units and unprotected units. Only 8 units are income-restricted protected units and 677 are non-income restricted protected units. This analysis assumes that those 8 income restricted units are occupied by low-income households, which leaves a remainder of 619 households that live in non-income restricted protected units and unprotected units. The remaining 619 households were distributed proportionally between non-income-restricted protected units and unprotected units, resulting in an estimated 374 low-income households in the subarea that are residing in unprotected rental units. Assuming a household size of 2.19, there are an estimated 820 residents that are potentially vulnerable to indirect residential displacement. The subarea has a total population of 6,005; therefore, the potentially vulnerable population is approximately 14 percent of the existing subarea population.

Although 14 percent of the existing subarea population may be potentially vulnerable, based on data such as market rents and average household income in Subarea A, the population of low-income renter households in unprotected rental units may be smaller than indicated by the data

[11] Data from HCR includes buildings with one or more units that are rent stabilized. For the purposes of this analysis, all units in buildings on the Rent Stabilized Buildings List are counted as non-income-restricted protected units.

analysis. Because data is limited for small geographies, it is necessary to use larger geographies, such as PUMAs, which may not be representative of the study area in question. Within PUMA 4005 are a variety of areas that differ in income characteristics, housing tenure, and rent regulation status. For example, Subarea 1 (see **Figure 3-4),** which is located in PUMA 4005, has an average household income of $37,160, which is much lower than the average household incomes of the surrounding areas. Subarea 1 contains the NYCHA Red Hook East and Red Hook West developments that together contain 2,891 units. Because a large population of low-income renter households are concentrated in Subarea 1, it is likely that the percentage of renter households that are low-income elsewhere in PUMA 4005, such as in Subarea A, is lower than that of the PUMA as a whole. This analysis conservatively applies the percentage of renter households that are low-income in PUMA 4005 to Subarea A, though it is likely that Subarea A actually has a smaller percentage of renters that are low-income. The section below, "The Future with the Proposed Actions," establishes that the Proposed Actions are not anticipated to result in the displacement of low-income renter households in unprotected units due to increased rents.

Table 3-26
Allocation of Low-Income Households, Subarea A

Renter-Occupied Housing Units		Low-Income Renter Households	
Total Protected	685	Total	627
Income-Restricted	8	in Income-Restricted Protected Units	8
Non-Income-Restricted	677	in Non-Income-Restricted Protected Units	245
Unprotected	1,051	in Unprotected Units	374
Total Potentially Vulnerable Population in Unprotected Units (HH Size 2.19)			820
Total Potentially Vulnerable Population in Unprotected Units as Percentage of Total Population			13.7%
Sources: NYU Furman Center; New York State Homes and Community Renewal (HCR) Rent Stabilized Buildings List, Brooklyn 2019; DCP; AKRF Inc.			

Subarea B

Using data for the Brooklyn Heights and Fort Greene PUMA (PUMA 4004), which contains Subarea B, the percentage of renter-occupied households that are at or below 80 percent AMI based on household size was estimated (see **Table 3-27**). PUMA 4004 roughly aligns with Community District 2. Approximately 47 percent of renter households in PUMA 4004 are low-income.

Table 3-27
Low-Income Renters, PUMA 4004

Household Size	HUD 80% AMI Income Limit	Renter Occupied Households at or Below 80% AMI
1	$59,760	9,082
2	$68,320	5127
3	$76,880	2101
4	$85,360	1174
5	$92,240	680
6	$99,040	199
7	$105,920	137
8+	$112,720	196
Total Low-Income Renter-Occupied Households		18,696
Total Renter-Occupied Households		39,901
Percent Low-Income Renter Households		47%
Sources: 2013-2017 Public Use Microdata Sample; U.S. Department of Housing and Urban Development 2019.		

Using the percentage of low-income renter households in the PUMA, the number of low-income renter households in the subarea was estimated. There are 3,405 occupied housing units in the subarea, of which 2,996 (88 percent) are renter-occupied. Of the renter-occupied units, an estimated 47 percent are occupied by low-income households, which translates to approximately 1,405 low-income renter households in the subarea.

Based on data from the NYU Furman Center and the HCR Rent Stabilized Buildings List, there are an estimated 2,764 protected rental units in the subarea (see **Table 3-28**). Approximately 2,219 units are income-restricted protected units and approximately 545 are non-income-restricted protected units. As shown in **Table 3-28**, there are fewer low-income renter households than income-restricted protected units, so it is assumed that all low-income renters are living in income-restricted protected units.

Table 3-28
Allocation of Low-Income Households, Subarea B

Renter-Occupied Housing Units		Low-Income Renter Households	
Total Protected	2,764	**Total**	1,405
Income-Restricted	2,219	**in Income-Restricted Units**	1,405
Non-Income Restricted	545	**in Non-Income Restricted Units**	0
Unprotected	232	**in Unprotected Units**	0

Sources: NYU Furman Center; New York State Homes and Community Renewal (HCR) Rent Stabilized Buildings List, Brooklyn 2019; DCP; AKRF Inc.

Due to the presence of over 2,000 NYCHA units, this subarea has a high concentration of low-income households as compared to the rest of the PUMA. Using the methodology described above, the number of income-restricted protected units exceeds the estimated low-income renter households in the subarea, indicating that this methodology underestimates the low-income households in this subarea. However, only 232 renter-occupied units in the study area are unprotected. If this analysis were to make the very conservative assumption that all 232 units are occupied by low-income households, approximately 508 residents would be potentially vulnerable to displacement in the With Action condition. As the subarea has a current population of 9,690, the maximum potentially vulnerable population is 5 percent of the population. However, as shown in **Table 3-23**, market-rate rents in Subarea B are quite high. To afford a market-rate one-bedroom apartment in the subarea, household income would need to exceed $120,000. Therefore, it is unlikely that a large percentage of the unprotected rental units in Subarea B are occupied by low-income households.

THE FUTURE WITHOUT THE PROPOSED ACTIONS (NO ACTION CONDITION)

SUBAREA A

In the No Action condition, no residential development is anticipated on projected development sites. As shown in **Table 3-29**, there are 15 planned developments that are under construction or proposed and would be developed within the 2035 analysis year irrespective of the Proposed Actions. These No Action developments would result in 160 new market-rate DUs and no affordable DUs. Most of the planned projects are small to moderate in size, ranging from 1 to 40 DUs.

Table 3-29
No Build Residential Development, Subarea A

Project Name & Address	Development Proposal Program	Development Type
399 3rd Avenue	6 DUs with 4 parking spaces	New Development
217 9th Street	13 DUs and 3,439 sf of community facility space with 7 parking spaces	New Development
145 14th Street	4 DUs	New Development
139 15th Street	8 DUs	New Development
114 15th Street	20 DUs	New Development
554 4th Avenue	40 DUs and 5,461 sf of local retail space	New Development
96 16th Street	4 DUs	New Development
149 14th Street	3 DUs	Expansion
100 16th Street	4 DUs	New Development
136 14th Street	10 DUs	New Development
577 3rd Avenue	19 DUs and 900 sf of local retail space with 10 parking spaces	New Development
591 3rd Avenue	2 DUs and 1,602 sf of local retail space	New Development
165 Prospect Avenue	1 DU with 1 parking space	New Development
135-137 Prospect Avenue	18 DUs	New Development
161 12th Street	8 DUs and 513 sf of local retail space	Expansion/Conversion

Note: All development projects are expected to be completed by 2035
Sources: DCP, DOB, CEQR Access, ZAP Search, Field Checks March 2019, https://newyorkyimby.com

SUBAREA B

In the future without the Proposed Actions, current market trends are expected to continue. New residential development is anticipated on Projected Development Sites 1, 3, and 58, resulting in 177 new market-rate DUs. Independent of the Proposed Actions, development is planned on seven sites in Subarea B and would result in 779 new DUs, of which 328 will be affordable (see **Table 3-30**). A large portion of the new units in the No Action condition (604 units) will be built on what is currently parking lots for NYCHA Wyckoff Gardens and will be developed as part of the NYCHA NextGen program; half of the units (304 units) will be affordable. A small affordable development is planned at 346 Bergen Street with 24 affordable DUs. At 58 St. Marks Place, a mixed-use development is planned with 102 market-rate DUs. With the exception of the No Action development on project development sites, the developments shown in **Table 3-30** will occur irrespective of the Proposed Actions. As shown in **Table 3-13**, the population of the subarea is anticipated to increase in the No Action condition by approximately 22 percent to over 11,700 residents.

Table 3-30
No Build Residential Development, Subarea B

Project Name & Address	Development Proposal Program	Development Type
Projected Development Site 1—90-94 4th Avenue, 58 St. Mark's Place, 86-88 4th Avenue	132 DUs and 3,952 sf of medical office space and 7,903 sf of local retail space with 53 parking spaces	New Development
Projected Development Site 58—195 Bond Street	26 DUs and 6,449 sf of other community facility space with 21 parking spaces	New Development
Projected Development Site 3—196 Nevins Street and 491 Baltic Street	19 DUs with 10 parking spaces	New Development
346 Bergen Street	24 affordable DUs with 4 parking spaces	New Development
350 Bergen Street	7 DUs	New Development
58 St. Mark's Place	102 DUs and 9,515 sf of local retail and 422 sf of community facility space with 45 parking spaces	New Development
51 St. Mark's Place	4 DUs	Expansion
130 3rd Avenue (NYCHA Wyckoff Street)	604 DUs (304 affordable) and 25,000 sf of local retail space and 10,500 sf of community facility space	New Development
8 St. Mark's Place	14 DUs and 558 sf of local retail space	New Development
300 Bergen Street (98 Third Avenue)	24 DUs and 4,051 sf of local retail space	New Development

Note: All development projects are expected to be completed by 2035
Sources: DCP, DOB, CEQR Access, ZAP Search, Field Checks March 2019, https://newyorkyimby.com

THE FUTURE WITH THE PROPOSED ACTIONS (WITH ACTION CONDITION)

SUBAREA A

In the With Action condition, residential development would occur on 21 projected development sites, for an increment of 3,767 residential units on projected development sites, of which approximately 942 would be affordable at an average of 60 percent AMI. The new residential population added to the subarea would total 8,250, which would increase the subarea population by approximately 130 percent over the No Action condition. The total residential population in the With Action condition would be 14,606.

Subarea A would experience noticeable demographic changes as a result of the Proposed Actions; specifically, the population in the subarea would more than double. The Proposed Actions would change the zoning in the Project Area to allow residential development in much of the subarea that does not currently allow residential development. Because residential development is not allowed in much of the subarea, luxury residential development has increased in the few areas zoned for residential development, such as 4th Avenue. The Proposed Actions would increase the housing stock in the in-demand area of Gowanus and ensure that at least 25 percent of the new development would be affordable through the mapping of MIH. In the No Action condition, no new affordable units would be built. In the With Action condition, 942 affordable units would be built.

According to the *CEQR Technical Manual*, if the vulnerable population potentially subject to indirect displacement exceeds five percent of the subarea population, the Proposed Actions may result in a significant change in the socioeconomic character of the subarea and a potential significant adverse impact may occur. However, as also noted in the *CEQR Technical Manual*, if it is determined that a project, because of its mixed-income composition, would not cause drastic changes in the real estate market, it may not affect rents for some or all of the existing vulnerable units. Though the low-income renter population in unprotected housing units is 14 percent of the existing population, the mixed-income composition of residents introduced to the subarea as a result of the Proposed Actions would not create or accelerate a trend of increasing rents such that all of the vulnerable population would be displaced. Rents and household incomes in the subarea have increased since 2010 (see **Tables 3-4** and **3-6**) and the addition of new, permanently affordable housing units would potentially slow this trend and would serve to maintain a wider range of household incomes within the subarea over the long term as compared to conditions in the future without the Proposed Actions. The projected average household income of new residents ($122,310) would be very similar to the average household income of the existing population (approximately $126,880). Because no affordable units would be built in the No Action condition, the average income of new residents in the With Action condition, and average rents, would be likely be lower than those in the No Action condition. Though Subarea A has lower household incomes than the high-income neighborhoods in the socioeconomic study area, such as Park Slope, Carroll Gardens, and Boerum Hill, it is not a low-income area—the average household income in the subarea exceeds that of Brooklyn by approximately $40,000 and exceeds that of New York City. The existing population also has a lower percentage of residents living in poverty and a lower percentage of rent-burdened residents as compared with Brooklyn and New York City overall.

The Proposed Actions would result in the creation of 942 permanently income-restricted protected units in Subarea A and over 2,500 permanently income-restricted protected units in the Project Area. In the No Action condition, no affordable units will be built in Subarea A. Therefore, the

Proposed Actions would result in the creation of more affordable housing than the No Action condition. The permanently affordable units that would be created in the subarea as a result of the Proposed Actions (942 units) exceeds the estimated number of low-income renter households that reside in unprotected units (374 households). Residents would have the opportunity to apply for the new permanently affordable housing that would be built in the Project Area, further limiting the potential for displacement.

Subarea A would experience socioeconomic changes due to the doubling of population that would occur in the With Action condition and approximately 14 percent of the existing population is potentially vulnerable to displacement; however the Proposed Actions are not anticipated to result in the displacement of this potentially vulnerable population due to increased rents. The application of MIH to the study area in the With Action condition would result in the creation of 942 permanently income-restricted protected units in Subarea A. On average, the anticipated rents in the With Action condition would be similar to market rents currently seen in the subarea. Therefore, there is no potential for significant adverse impacts due to indirect residential displacement.

SUBAREA B

In the With Action condition, residential development would occur on 14 projected development sites located in Subarea B. There would be a total of 939 DUs on the projected development sites, for an increment of 701 over the No Action condition. Approximately 25 percent, or 235 DUs in the With Action condition would be affordable at an average of 60 percent AMI. The total residential population would increase by approximately 13 percent (1,535 new residents) over the No Action condition, for a total population of 13,319.

There is no potential for significant adverse socioeconomic impacts due to indirect residential displacement in Subarea B. Due to the large portion of rental stock in the subarea that is rent protected, if all the unprotected units in the subarea were occupied by low-income households, this would amount to approximately five percent of the existing population, which is the CEQR threshold for potential significant adverse impacts. Because market-rate rent in the subarea is high, it is unlikely that all the unprotected units in the subarea are occupied by low-income households; therefore, the actual population of low-income renters in unprotected units is likely much smaller than five percent of the population.

In the With Action condition, 235 new permanently income-restricted protected units would be added to the subarea on projected development sites. In addition, extensive affordable residential development is planned that will occur irrespective of the Proposed Actions, resulting in 328 additional affordable units in Subarea B. Though the projected average household income of the new population in the With Action condition would exceed the average household income of the existing population, the vast majority of the subarea population lives in protected rental units. The estimated 2,764 existing protected units, plus the 563 total units that would be developed in subarea in the With Action condition, would provide affordable housing options for the low-income renter population. ✷