East New York Rezoning Proposal
Chapter 3: Socioeconomic Conditions

A. INTRODUCTION

This chapter assesses whether the Proposed Actions would result in significant adverse impacts to the socioeconomic character of the area within and surrounding the proposed East New York rezoning area. As described in the 2014 *City Environmental Quality Review* (CEQR) *Technical Manual*, the socioeconomic character of an area includes its population, housing, and economic activities. Socioeconomic changes may occur when a project directly or indirectly changes any of these elements. Although some socioeconomic changes may not result in impacts under CEQR, they are disclosed if they would affect land use patterns, low-income populations, the availability of goods and services, or economic investment in a way that changes the socioeconomic character of the area. In some cases, these changes may be substantial but not adverse. The objective of the CEQR analysis is to disclose whether any changes created by the action would have a significant adverse impact compared to what would happen in the future without the action.

As described in Chapter 1, "Project Description," under the reasonable worst-case development scenario (RWCDS), the Proposed Actions would result in the development of approximately 6,901,057 square feet (sf) of residential floor area (6,862 DU), 191,887 sf of office, 893,952 sf of retail, 64,550 sf of restaurant, 60,000 sf of supermarket, 98,851 sf of industrial uses, and 614,842 sf of community facility uses, as well as 2,442 accessory parking spaces. The projected incremental (net) change between that No-Action and With-Action conditions that would result from the Proposed Actions would be a net increase of 6,312 dwelling units; 115,895 sf of office, 58,900 sf of restaurant, 30,000 sf of supermarket, 654,636 sf of retail; and 457,870 sf of community facility space; and net decreases of 27,035 sf of industrial, 128,365 sf of auto-related space, 97,551 sf of hotel space, and 76,225 sf of warehouse/storage/garage space.

The five principal issues of concern with respect to socioeconomic conditions are whether a proposed action would result in significant adverse impacts due to: (1) direct residential displacement; (2) direct business and institutional displacement; (3) indirect residential displacement; (4) indirect business and institutional displacement; and (5) adverse effects on specific industries, pursuant to the *CEQR Technical Manual*. As detailed below, the Proposed Actions warrant an assessment of socioeconomic conditions with respect to all but one of these principal issues of concern—direct residential displacement. Direct displacement of fewer than 500 residents would not typically be expected to alter the socioeconomic characteristics of a neighborhood, according to the *CEQR Technical Manual*. The Proposed Actions would not exceed the *CEQR Technical Manual* analysis threshold of 500 directly displaced residents, and therefore, are not expected to result in significant adverse impacts due to direct residential displacement.

In considering the likely socioeconomic effects of the Proposed Actions, it is important to note that Proposed Actions-induced development on the RWCDS projected development sites is expected to occur over an approximately 15-year period on a site-by-site basis, rather than all at once. It is, therefore, not possible to know exactly when, over this period, each of the projected development sites would be developed, or what businesses or tenants would occupy the sites at the time of redevelopment. It is likely that those sites with known development proposals would be developed first, with the remaining parcels being built over time in response to market conditions (refer to Chapter 19, "Construction," for conceptual construction schedule and sequencing). During that time, the Proposed Actions' overall effect on socioeconomic conditions would gradually increase, with the full effects being reached in 2030.

B. PRINCIPAL CONCLUSIONS

This analysis finds that the Proposed Actions would not result in any significant adverse impacts to the five socioeconomic areas of concern, including direct residential displacement, direct business/ institutional displacement, indirect residential displacement, indirect business/institutional displacement, and adverse effects on specific industries. The following summarizes the conclusions drawn from the analyses presented in this chapter.

Direct Residential Displacement

The initial assessment did not warrant further analysis of direct residential displacement. According to the *CEQR Technical Manual*, direct displacement of fewer than 500 residents would not typically be expected to alter socioeconomic characteristics of a neighborhood. The Proposed Actions could potentially directly displace approximately 158 residents residing in 53 dwelling units on 19 of the 80 projected development sites, which would constitute less than five percent of the primary study area population. Based on the guidelines in the *CEQR Technical Manual*, the direct displacement of these residents would not result in a significant adverse impact as they do not represent a substantial or significant proportion of the study area population. Although this amount of displacement would not have the potential to cause a significant adverse direct residential impact, any displaced residents could apply for new affordable housing developed as a result of the Proposed Actions. Through existing or proposed City programs, the New York City Department of Housing Preservation and Development (HPD) would offer appropriate assistance to displaced residents, including working with the local community to counsel displaced tenants and connect them to affordable housing resources in the area. See www.nyc.gov/housingconnect. Further, a newly created Tenant Harassment Prevention Task Force, which could assist tenants in rent-regulated units in bringing enforcement actions against landlords who harass tenants in East New York, would protect tenants from displacement. The City is committed to providing approximately $36 million for free legal representation in housing court to such tenants in rezoned neighborhoods facing harassment, building neglect, or eviction proceedings.

Direct Business/Institutional Displacement

A preliminary assessment found that the Proposed Actions would not result in significant adverse impacts related to direct business and institutional displacement. Potential direct business/institutional displacement would be limited to 88 businesses and institutions located on 42 of the 80 identified projected development sites, subject to lease terms and agreements between private firms and property owners existing at the time of redevelopment in the With-Action condition.

These 88 businesses and institutions provide jobs for an estimated 584 employees, accounting for approximately 13 percent of the total employment (4,415 workers) in the primary study area and approximately four percent of employment (16,306 workers) in the secondary study area. Such potential direct displacement is expected to occur over an approximate 15-year period on a site-by-site basis. These 88 businesses/institutions that could be directly displaced conduct a variety of business activities, including automotive and transportation-related services, manufacturing, retail, wholesale, accommodation and food service, construction, professional and technical services, health care and social assistance services, fitness-related uses, and personal services (laundromats, drycleaner, masseuse etc.). The 88 businesses/institutions that are expected to be directly displaced in the study area do not represent a substantial amount of study area employment and would likely be able to find alternative properties that are appropriately zoned in the surrounding area, Brooklyn and in greater New York City.

The Proposed Actions and associated RWCDS would not result in the direct displacement of any businesses that provide products or services essential to the local economy that would no longer be available in its trade area, nor would it result in the displacement of any business that is the subject of regulations in the publicly adopted plans to preserve, enhance or otherwise protect it. It is the intent of the Proposed Actions to expand development opportunities.

While the Proposed Actions have the potential to result in the potential direct business and institutional displacement of 86 businesses and two institutions from 42 projected development sites, the Proposed Actions would introduce retail, supermarket, restaurant, office, and community facility space that would add 3,710 workers over the No-Action condition. As part of the East New York Community Plan, the Department of Small Business Services would be offering business assistance programs targeted to the needs of this community and conducting a commercial district needs assessment to identify ways to strengthen existing businesses and commercial corridors. It is expected that some businesses that would be directly displaced would be able to relocate to new spaces in the study area. The Proposed Actions are consistent with, and intended to implement, principal goals and objectives of the East New York Community Plan, including creating more affordable housing and more diverse commercial uses, promoting economic development and opportunity for residents, fostering safer streets, and generating new community resources. The proposed zoning map and zoning text amendments would set the stage for the further growth and development of East New York, encouraging a vibrant mix of residential, commercial, community facility, and light industrial uses and taking advantage of the area's status as a neighborhood with excellent transit accessibility. The proposed zoning districts would reinforce East New York's role as a transit hub and expand the opportunities for residential, commercial, and community facility development, which is expected to enliven the area and produce economic growth and further the community's goal of creating a stable climate for investment, employment retention, and new job creation.

Indirect Residential Displacement

In accordance with *CEQR Technical Manual* methodology, the Proposed Actions have the potential to substantially change the demographic composition and/or alter the real estate market conditions in both the primary and secondary study areas, as they would increase the study area population by greater than five percent over the future without the Proposed Actions. The Proposed Actions would result in the development of 6,862 DUs (a net increase of 6,312 DUs compared to No-Action conditions) in the study area in the 2030 With-Action condition, of which approximately half would be affordable. Assuming that all new units would be occupied and have an average household size of 2.99 persons per housing unit for Brooklyn CD5 and 2.75 persons per housing unit for Brooklyn CD16 (the 2010 Census average household sizes), the Proposed Actions would introduce a net increase of up to 18,801 residents in the study area. This amount of new residential development would represent an approximately nine percent increase in the housing stock and about ten percent increase in the residential population within the overall study area, as compared to the No-Action condition. This development would be gradual and is expected to occur over a 15-year period by private developers on a site-by-site basis, rather than all at once with the full effects being reached in 2030.

The detailed analysis of the potential for indirect residential displacement impacts estimates that there is a substantial number of low-and moderate-income residents living in unprotected housing units in a number of census tracts within the overall study area. The primary study area is estimated to contain approximately 5,172 such units (approximately 12,635 residents), and the secondary study area contains approximately 16,616 such units (approximately 36,361 residents) that could be vulnerable to rent increases in the future with or without the Proposed Actions**.**

As a whole, the socioeconomic characteristics of the population living in the study area is already changing and is likely to continue to change over the next several years under the No-Action condition by 2030. At-risk households are already experiencing rent pressures and the current average asking rents are not affordable to many of existing residents in the primary and secondary study areas. Given current market trends, it is very likely that demand for housing in the study area would continue to escalate in the future with or without the Proposed Actions, and that rents within the study area would significantly increase in the future without the Proposed Actions. Irrespective of the Proposed Actions, unprotected low- and moderate-income rental households would likely continue to experience indirect residential displacement pressures and could potentially move out of the area and therefore decrease in proportion to other households.

Although the population living in those unprotected units and therefore potentially subject to indirect displacement over time exceeds five percent of the study area, it is anticipated that through a combination of public land, private sites, the City's proposed Mandatory Inclusionary Housing (MIH) program, and the availability of financing by HPD, over half of all new residential units that are expected to developed within the rezoning area over the next 15 years would be affordable. This would ensure that a substantial amount of protected affordable units would be provided in the study area, which would help retain the low- and moderate-income renters now living in unprotected units and would help ensure that the neighborhoods continue to serve diverse housing needs.

The Proposed Actions' contributions to rent pressures in the study areas would be limited by the supply of market-rate and affordable housing resulting from the Proposed Actions, which could serve to offset existing housing demand and rent pressures. The Proposed Actions are, therefore, not expected to result in a significant adverse impact with respect to indirect residential displacement.

Indirect Business/Institutional Displacement

The assessment finds that the Proposed Actions would not result in significant adverse impacts due to indirect business and institutional displacement. The Proposed Actions would encourage compatible land uses that are expected to strengthen existing commercial and industrial areas and provide direction and flexibility for growth in areas with long-term potential. The types of uses to be introduced include a mix of housing, retail, office, community facilities, and light industrial uses, which would be distributed throughout the 190-block rezoning area on 80 projected development sites.

It is the intent of the Proposed Actions to balance preservation and growth in the primary study area. The proposed zoning changes are intended to promote affordable housing development, encourage economic development, create pedestrian-friendly streets, and introduce new community resources to foster a more equitable East New York. The Proposed Actions would support the Sustainable Communities East New York (SCENY) study by facilitating the development of affordable housing units, activating the streetscape through the establishment of a Special Enhanced Commercial (EC) District along select corridors and the mapping of commercial overlays, improving the streetscape through tree planting required for new construction pursuant to the Zoning Resolution of the City of New York, introducing a net 859,431sf of commercial uses, including local retail, restaurant, supermarket, and office uses and a net 457,870 sf of community facility uses that are expected to generate approximately 3,710 new jobs, under the RWCDS.

While the Proposed Actions would facilitate substantial redevelopment within the primary study area, they would not introduce new uses or economic activities to the study area that could change existing economic trends, and the Proposed Actions would not add to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to alter existing economic patterns. The Proposed Actions include increases in permitted density along selected corridors to expand opportunities for housing, including significant amounts of protected affordable housing, as well as mapping commercial overlays along streets where existing ground-floor retail uses exist, in order to provide support for existing retail uses and encourage the growth of local-scale commercial activity to support anticipated residential development in the area.

The study area has well-established residential market and supports a mix of commercial, retail, light industrial, and institutional uses. The new land uses that would result in the future with the Proposed Actions are foreseen as a continuation of current established land use trends in a manner sensitive to the surrounding land uses and built form. The area would retain its mixed-use character and create opportunities for new investment on underutilized sites. Additionally, businesses and institutional uses that could be directly displaced by the Proposed Actions do not provide products or services essential to the local economy that would no longer be available to local residents and businesses due to the difficulty of relocating, nor are they the subject of regulations or publicly adopted plans to preserve, enhance, or protect them. Therefore, according to *CEQR Technical Manual* criteria, the displacement of these businesses would not have adverse indirect effects on the remaining businesses or consumers in the study area. Although the employees of the directly displaced businesses form a portion of the customer base of neighborhood service establishments, the Proposed Actions would increase the overall employment in the rezoning

area compared to the No-Action condition. The influx of residents and employees to the study area would add to the customer base of existing study area businesses compared to the No-Action condition.

The Proposed Actions would require in certain areas along established retail shopping corridors that only non-residential space such as stores or community facilities be provided on ground floors of new buildings, ensuring that the area would have a robust supply of retail and community facility space. The addition of this new retail and community facility space would serve to increase the overall supply of such space in the study area and, thus, limit rent pressures on existing business and community facility occupants.

The retail space resulting from the Proposed Actions is expected to be primarily local retail that would largely support the local resident and worker populations and strengthen the existing commercial corridors of Fulton Street, and Atlantic, Pitkin, and Liberty Avenues. It is not anticipated to be destination retail, which would draw consumers from a larger area. The new commercial uses would be dispersed throughout the primary study area on 60 of the 80 projected development sites, and the types of commercial uses expected under the Proposed Actions—primarily neighborhood goods and services—would not be new to the study area. The expanded commercial space would provide local goods and services for both the existing residents and the new population that would move into the area under the Proposed Actions. Therefore, as the commercial retail uses would serve the added demand from the future new resident populations, and there are established existing retail corridors throughout the study area, it is not expected that the Proposed Actions would result in significant adverse impacts. Moreover, the added income from the new residents to the area would be expected to support the existing businesses and retail corridors in addition to the new establishments introduced under the Proposed Actions. The City's Department of Small Business Services has committed to work with existing business and local organizations to help them meet increased retail demand in the area.

Adverse Effects on Specific Industries

The Proposed Actions would not result in significant adverse impacts on specific industries within the study area or in the city more broadly. The 88 businesses and institutional uses that could be potentially directly displaced from projected development sites conduct a variety of business activities and are not concentrated within a business sector. Nor are the businesses subject to displacement essential to the survival of other industries outside of the study area, as they do not serve as the sole provider of goods and services to an entire industry or category of business in the City. Collectively, these 88 businesses and institutional uses account for only a fraction of the total employment and economic activities in the secondary study area and their products and services would continue to be available in the trade area to local residents and businesses. Furthermore, while the Proposed Actions are not expected to cause indirect displacement, any indirect displacement that may occur would not be concentrated in a particular industry. Therefore, the Proposed Actions would not result in an adverse impact on a particular industry or category of businesses within or outside the study area, and would not substantially reduce employment or impair the economic viability in an industry or category of business.

C. METHODOLOGY

Under CEQR, the socioeconomic character of an area is defined by its population, housing, and economic activities. Socioeconomic changes may occur when a project directly or indirectly changes any of these elements. Although socioeconomic changes may not result in impacts under CEQR, they are disclosed if they would affect land use patterns, low-income populations, the availability of goods and services, or economic investment in a way that changes the socioeconomic character of the area. In some cases, these changes may be substantial but not adverse. In other cases, these changes may be good for some groups but bad for others. The objective of the CEQR analysis is to disclose whether any changes created by the Proposed Actions would have a significant impact compared with what would happen in the future without the Proposed Actions (the "No-Action" condition).

The assessment of socioeconomic conditions usually distinguishes between the socioeconomic conditions of an area's residents and businesses, although projects may affect both in similar ways. Direct displacement is defined as

the involuntary displacement of residents, businesses, or institutions from the actual site of (or sites directly affected by) a proposed action. As the occupants of a particular site are usually known, the disclosure of direct displacement focuses on specific businesses and employment, and an identifiable number of residents and workers.

Indirect or secondary displacement is defined as the involuntary displacement of residents, businesses, or employees in an area adjacent or close to a project site, or projected development sites, that results from changes in socioeconomic conditions created by a proposed action. Examples include rising rents in an area that result from a new concentration of higher-income housing introduced by an action, which ultimately could make existing housing unaffordable to lower income residents; a similar turnover of industrial to higher-rent commercial tenancies induced by the introduction of a successful office project in an area; or the flight from a neighborhood that can occur if a proposed project creates conditions that break down the community (such as a highway dividing the area).

Even if a project does not directly or indirectly displace businesses, it may affect the operation of a major industry or commercial operation in the City. An example would be new regulations that prohibit or restrict the use of certain processes that are critical to certain industries. In these cases, CEQR review may assess the economic impacts of the project on the industry in question.

Determining Whether a Socioeconomic Assessment Is Appropriate

According to the *CEQR Technical Manual*, a socioeconomic assessment should be conducted if an action may be reasonably expected to create socioeconomic changes in the area affected by the action that would not be expected to occur in the absence of the Proposed Actions (No-Action condition). The following screening assessment considers threshold circumstances identified in the *CEQR Technical Manual* and bulleted below that can lead to socioeconomic changes warranting further assessment.

The Proposed Actions include zoning map and text amendments affecting approximately 190 blocks in the East New York, Cypress Hills, and Ocean Hill neighborhoods, as well as amendments to the Dinsmore-Chestnut Urban Renewal Plan (URP). The RWCDS for the 80 projected development sites assumes that Proposed Actions would result in the incremental (net) increase of 6,312 DUs, 557,290 sf of commercial uses, and 457,870 sf of community facility uses, as well as a net decrease of 27,035 sf of industrial uses.

- *Direct Residential Displacement: Would the proposed project directly displace residential population to the extent that the socioeconomic character of the neighborhood would be substantially altered? Displacement of fewer than 500 residents would not typically be expected to alter the socioeconomic character of a neighborhood.*

The Proposed Actions would not exceed the *CEQR Technical Manual* analysis threshold of 500 directly displaced residents, and therefore, are not expected to result in significant adverse impacts due to direct residential displacement. Whether or not the impact is considered significant, the *CEQR Technical Manual* requires that the direct residential displacement be disclosed for any project. In the preliminary analysis section below, this EIS discloses the number of residential units and estimates number of residents that could be potentially directly displaced by the Proposed Actions, as well as quantifies the amount of that direct displacement relative to study area populations.

- *Direct Business Displacement: Would the project directly displace more than 100 employees, or directly displace a business whose products or services are uniquely dependent on its location, are the subject of policies or plans aimed at its preservation, or serve a population uniquely dependent on its services in its present location? If so, assessments of direct business displacement and indirect business displacement are appropriate.*

The Proposed Actions would result in some direct business and institutional displacement, and the amount of employment associated with that displacement exceeds the 100-employee *CEQR Technical Manual* threshold

warranting an assessment of potential direct business and institutional and indirect business and institutional displacement.

- *Indirect Residential and/or Business Displacement due to Increased Rents: Would the project 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. For projects exceeding these thresholds, an assessment of indirect residential displacement and indirect business displacement is appropriate.*

The Proposed Actions and associated RWCDS would introduce residential uses in excess of 200 units and commercial development in excess of 200,000 sf; therefore, assessments of potential indirect residential displacement and indirect business displacement are warranted.

- *Indirect Business Displacement due to Retail Market Saturation: Would the project result in a total of 200,000 sf or more of retail on a single development site or 200,000 sf or more of regional-serving retail across multiple sites? This type of development may have the potential to draw a substantial amount of sales from existing businesses within the study area, resulting in indirect business displacement due to market saturation.*

An assessment of the indirect business displacement due to market saturation is not warranted based on *CEQR Technical Manual* guidelines. The Proposed Actions and associated RWCDS 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, thus resulting in a potential for disinvestment on local retail streets. The Proposed Actions and associated RWCDS are expected to introduce up to approximately 654,636 sf of retail uses and 30,000 sf of supermarket as compared to the No-Action condition. This retail space would not be concentrated on a single site, but would be distributed among 60 of the 80 projected development sites in the approximately 0.75-square mile rezoning area, and is expected to largely consist of local-serving retail. Projects resulting in less than 200,000 sf of regional-serving retail in the study area, or less than 200,000 sf of locally-serving or regional-serving retail on a single development site would not typically result in socioeconomic impacts, according to the guidelines established in the *CEQR Technical Manual*. As the Proposed Actions and associated RWCDS would not exceed the CEQR threshold, no further analysis of indirect business displacement due to retail market saturation is warranted.

- *Adverse Effects on Specific Industries: Is the project expected to affect conditions within a specific industry? This could affect socioeconomic conditions if a substantial number of workers or residents depend on the goods or services provided by the affected businesses, or if the project would result in the loss or substantial diminishment of a particularly important product or service within the City.*

As noted above, the Proposed Actions would result in direct business and institutional displacement, and have the potential to result in indirect business displacement. Therefore, an assessment of the Proposed Actions' effect on specific industries is warranted to determine whether the Proposed Actions would significantly affect business conditions in any industry or category of businesses within or outside the study area, or whether they would substantially reduce employment or impair viability in a specific industry or category of businesses.

Based on the screening assessment presented above, the Proposed Actions warrant analyses of direct business/institutional displacement, indirect residential displacement, indirect businesses/institutional displacement due to increased rents, and adverse effects on specific industries, as well as an initial assessment of direct residential displacement.

Analysis Format

Following *CEQR Technical Manual* guidelines, the socioeconomic analysis of direct business/institutional displacement, indirect residential displacement, indirect business/institutional displacement, and adverse effect on specific industries begins with a preliminary assessment. The purpose of the preliminary assessment is to learn enough about the 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 resolve the issue. A detailed analysis, when required, is framed in the context of existing conditions and evaluations of the future without the Proposed Actions and the future with the Proposed Actions by the analysis year. In conjunction with the land use task, specific development projects that are expected to occur in the area in the future without the Proposed Actions are identified, and the possible changes in socioeconomic conditions that would result, such as potential increases in population, changes in the income characteristics of the study area, new residential developments, possible changes in rents or sales prices of residential units, new commercial or industrial uses, or changes in employment or retail sales. Those conditions are then compared with the future with the Proposed Actions to determine the potential for significant adverse impacts.

Study Area Definition

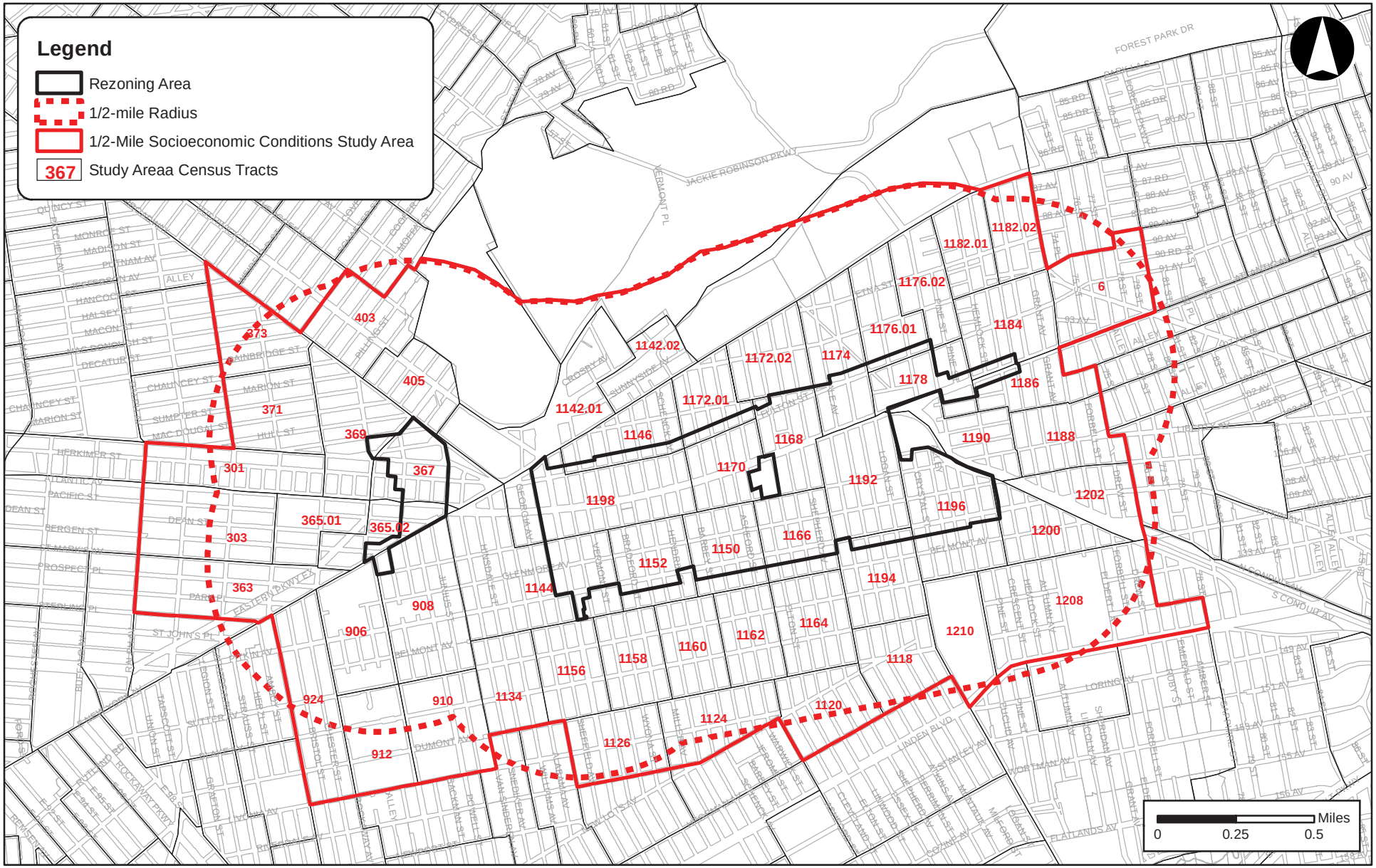
In order to assess these socioeconomic issues, information was gathered regarding the surrounding area's demographic characteristics, housing inventory, housing market, and industrial, commercial, and retail activity. Typically, the socioeconomic study area boundaries are similar to those of the land use study area. The study area generally encompasses the area affected by the Proposed Actions (i.e., primary study area), and an adjacent area within 400 feet, ¼-mile, or ½-mile, depending on project size and area characteristics. The socioeconomic assessment seeks to assess a project's potential to change socioeconomic character relative to the study area population (i.e., a project that would result in a relatively large increase in population may be expected to affect a larger study area).

The *CEQR Technical Manual* explains that for projects that would increase the residential population by more than five percent as compared to the population expected to reside in the ¼-mile study area in the No-Action condition, a ½-mile study area is appropriate. As detailed in Chapter 1, "Project Description," the RWCDS would result in an incremental (net) increase of 6,312 dwelling units, which would increase the population of the ¼-mile study area by more than five percent as compared to the No-Action condition. Therefore, the study area for socioeconomic conditions approximates a ½-mile perimeter around the rezoning area.

Similar to the land use and zoning analysis in Chapter 2, this assessment includes two study areas: the primary study area (i.e., the area to be rezoned) and the secondary study area (i.e., the approximate ½-mile area around the primary study area). The exact boundary of the socioeconomic secondary study area was modified to match the census tracts that most closely define a ½-mile perimeter surrounding the rezoning area (see Figure 3-1). By conforming to census tract boundaries, the socioeconomic analysis more accurately applies Census data to depict the demographic characteristics of the surrounding area. In addition, in accordance with *CEQR Technical Manual* guidelines, the detailed indirect residential displacement analysis considers an area "near" the study area (i.e., within a ½-mile radius of the secondary study area) to examine real estate market trends and ascertain whether the surrounding area has experienced a readily observable trend toward increasing rents and the likely effect of the Proposed Actions on such trends.

Data Sources

Information used in the socioeconomic analysis includes data from the U.S. Census Bureau's 2010 Census, 2000 Census, 2009-2013 five-year American Community Survey, and the New York City Department of City Planning's PLUTO Data. Land use and parcel data were collected from the City's Primary Land Use Tax Lot Output (PLUTO™) data files, online Geographic Information Systems (GIS) databases including the New York City Open Accessible Space Information System (http://www.oasisnyc.net) and NYCityMap (http://gis.nyc.gov/doitt/nycitymap/).



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Figure 3-1
Socioeonomic Conditions Study Area

Employment data were obtained from the New York State Department of Labor (NYSDOL), Quarterly Census of Employment and Wages (as compiled by the New York City Department of City Planning [DCP]) and the U.S. Census's 2002 and 2012 County and Zip Code Business Patterns. However, as NYSDOL and U.S. Census County Business Patterns employment data are available at the zip code level, rather than smaller geographic areas such as census tracts or block groups, some employment estimates and tallies of specific businesses for the study area are based on a slightly different geographic area than the actual boundary of the secondary study area, but nevertheless are still representative of conditions in the study area given the proximity of the zip code boundaries to the study area boundary. Figure 3-2 shows the secondary study area in relation to the four zip codes (11207, 11208, 11212, and 11233) that largely encompass the secondary study area. Zip Code Business Pattern data provide detailed information on the number of firms and associated employment levels of specific industry sectors.

The employment data gathered identifies the industry sectors that dominate or characterize the study area. Employment data on specific businesses was estimated based on field surveys, telephone surveys of businesses located on projected development sites, and secondary research. Field surveys identified the occupied and unoccupied commercial, institutional, and residential space on the 80 projected development sites. PLUTO data were used to determine the amount of space occupied by each establishment. These data were used to estimate the total number of jobs that could be directly displaced by the Proposed Actions through private redevelopment initiatives on the projected development sites. When information on a business was not available through field observations, telephone surveys, and various secondary sources (such as Manta.com[1]), employment was estimated using information on comparable businesses of the same size and with similar hours of operation. In some cases, the number of current employees for the projected development sites was estimated based on the approximate square footage and the standard ratios of one employee per 250 sf of office space and three employees per 1,000 sf of retail space. However, it should be noted that the jobs identified on the projected development sites in this assessment might not be located on the affected sites at the time the sites are redeveloped. The analysis represents a "snapshot in time" that describes the existing socioeconomic conditions in the vicinity of the rezoning area. The employment data were supplemented by field investigations conducted between February and March 2015.

D. PRELIMINARY ASSESSMENT

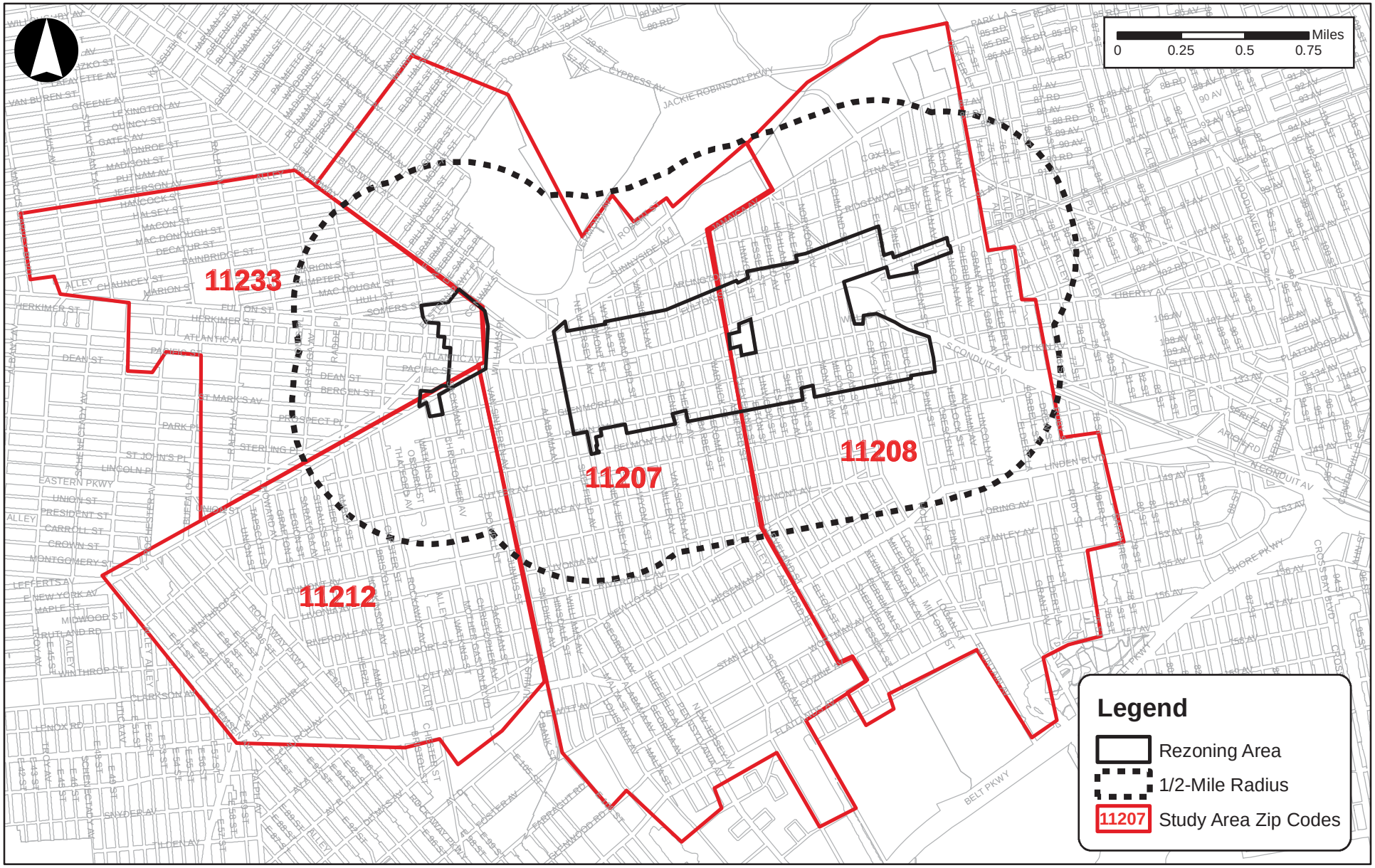
For each of the potential socioeconomic impacts categories, the *CEQR Technical Manual* provides screening level criteria for determining whether a proposed action has the potential to introduce or accelerate a socioeconomic trend and thus whether more detailed analysis is needed to determine whether the Proposed Actions might cause a significant adverse impact.

For four of the six issue areas of socioeconomic conditions—direct residential displacement, direct business/institutional displacement, indirect business displacement due to retail saturation, and adverse impacts on specific industries—an initial screening level assessment or a preliminary assessment was sufficient to rule out the possibility that the Proposed Actions would have any significant adverse impacts on the study area. For indirect residential and indirect business/institutional displacement, the preliminary assessment was not sufficient to rule out the possibility of significant adverse impacts, and detailed assessments were conducted. The detailed analyses can be found in Sections E and F of this chapter, respectively.

Direct Residential Displacement

Direct residential displacement is defined under the *CEQR Technical Manual* as the involuntary displacement of residents from the site of a proposed action. Owners who sell their properties to project sponsors are not typically considered displaced directly because the owners have entered into a voluntary agreement.

[1] www.manta.com – Manta is an online resource for company profile data and provides current site specific data regarding employment.



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Figure 3-2
Socioeonomic Conditions Study Area Zip Codes

A direct residential displacement analysis examines the type and extent of residential displacement generated by the Proposed Actions in order to determine its potential significance. According to the *CEQR Technical Manual*, direct residential displacement is not a significant socioeconomic impact by itself. Impacts may result from direct residential displacement if, due to the number and type of people displaced, it is significant enough to alter the socioeconomic character of a neighborhood.

Pursuant to the *CEQR Technical Manual*, the direct displacement of less than 500 residents would not typically be expected to alter the socioeconomic character of a neighborhood. The first step of a preliminary direct displacement assessment is to determine whether the displaced population represents a substantial or significant portion of the population within the study area. Displacement of less than five percent of the primary study area population would not typically represent a substantial or significant portion of the population. If the directly displaced population represents greater than five percent of the primary study area population, it should then be determined whether the average income of the displaced residents is markedly less than the average income of residents of the overall study area.

Whether or not the impact is considered significant, the *CEQR Technical Manual* requires that the direct residential displacement be disclosed for any project. As the direct residential displacement caused by the Proposed Actions would fall well below the CEQR threshold of 500 displaced residents and would constitute less than five percent of the primary study area population, the Proposed Actions' direct residential displacement would not be expected to alter the socioeconomic character of the neighborhood, and would not result in significant adverse socioeconomic impacts.

As described in Chapter 2, "Land Use, Zoning and Public Policy," residential use is the predominant land use within the rezoning area (primary study area), accounting for nearly 65 percent of the lots, 48 percent of the total lot area, and slightly less than 70 percent of the total built floor area. The primary study area includes more than 11,000 residential units according to 2014 PLUTO data. The majority of the residential buildings within the primary study area are one- and two-family houses, which account for more than 40 percent of the residential units (approximately 4,700 dwelling units). Smaller residential buildings containing between three to five dwelling units account for approximately 30 percent (approximately 3,300) of the residential housing stock. As such, more than 70 percent of residential units are housed within smaller residential buildings containing five or fewer units.

Profile of Residential Population Subject to Potential Direct Displacement

As described in Chapter 1, "Project Description," there are 80 projected development sites in the rezoning area (i.e., primary study area). These projected development sites have been identified as likely locations for redevelopment under the Proposed Actions for CEQR analysis purposes. If these sites are redeveloped in the future with the Proposed Actions, it is possible that existing residential units could be involuntarily displaced. Most of the projected development sites in the rezoning area do not contain any residential units. Approximately 26 percent of the projected development sites (21 sites) currently contain residential uses, all of which are privately-owned. Approximately 25 percent of these residential units are located within one-and two-family houses, 24 percent are within smaller low-rise residential buildings containing between three to five dwelling units, many of which feature ground floor commercial uses, and about eight percent are located within mixed-use residential and commercial buildings, containing either one or two residential units on upper floors. Projected development site 46, which comprises two rectangular blocks bounded by Atlantic Avenue, Liberty Avenue, Berriman Street, and Montauk Avenue with Atkins Avenue extending through the middle, is occupied by a collection of low-rise multiunit buildings, known as Arlington Village. Although Arlington Village once housed more than 200 to 900 residential units within walkup residential buildings, many of these buildings are in significant disrepair, sealed, and uninhabitable. According to DCP, projected development site 46 currently accommodates approximately 42 residential units, accounting for 43 percent of the residential units located on projected development sites. In total, 21 of the 80 projected development sites contain 97 dwelling units.

Not all of the 97 dwelling units on projected development sites would be directly displaced as a result of the Proposed Actions. On projected development site 46, the 42 existing residential dwelling units within Arlington Village are expected to be replaced with more dense residential use even if the proposed rezoning does not occur

in the future without the Proposed Actions (i.e., No-Action condition). The owner of this projected development site has indicated that site 46 will be redeveloped based on current zoning, or if the proposed rezoning is adopted, based on the site's new zoning. Irrespective of the Proposed Actions, it is the intent of the property owner to relocate any of the existing residents as the need arises within other buildings on the site during the redevelopment of the property. In addition, two of the residential units located at 126 New Jersey Avenue (Block 3670, Lot 29) and 2834 Atlantic Avenue (Block 3963, Lot 14), which occupy portions of projected development sites 9 and 35, are single-family homes that are owner-occupied, and therefore, the residents of these two housing units would not be expected to experience any involuntary displacement as a result of the Proposed Actions.

Excluding those residents that would be displaced both in the No-Action and With-Action scenarios and the two owner-occupied housing units, the Proposed Actions have the potential to directly displace approximately 53 dwelling units on 19 projected development sites (refer to Table 3-1). It is assumed for the purposes of analysis that these 53 residential units would remain in place under the No-Action condition, and that under the With-Action condition, these buildings would be demolished and replaced with new development.

TABLE 3-1
Non-Owner Occupied Housing Units that could be Potentially Directly Displaced as a result of the Proposed Actions

Projected Development Site	Block/Lot	Number of units	Description of housing
9	3670/14	2	two-family
14	3688/11	4	Multiunit residential
21	3939/26	1	Mixed-use building
22	3942/1	4	Multiunit residential, ground floor commercial
23	3946/17	2	Mixed-use building
26	3954/55	2	two-family
27	3955/45	6	Multiunit residential, ground floor commercial
	3955/46		two-family
	3955/47		Mixed-use building
32	3961/16	3	Multiunit residential, ground floor commercial
33	3961/31	2	two-family
34	3962/32	2	two-family
38	3964/24	1	Mixed-use building
39	3966/12	2	Mixed-use building
45	3973/53	2	two-family
47	3977/18	1	Mixed-use building
49	3982/11	4	two-family
	3982/13		two-family
52	3985/17	2	two-family
54	3989/9	7	two-family
	3989/10		Multiunit residential, ground floor commercial
58	3996/34	2	two-family
73	4154/99	4	Multiunit residential
	Total	***53***	

Table 3-1 contains the 19 projected development sites on which direct residential displacement could potentially occur as a result of the Proposed Actions. These sites are all located in Brooklyn Community District 5 (CD5) within the 175-block East New York/Cypress Hills area of the rezoning area. None of the potentially displaced residential units would be located within the Ocean Hill area of the rezoning area.

As shown in Table 3-1, all of the residential units that have the potential to be directly displaced are in low-rise buildings containing between one and five residential units. Of these buildings, eleven are two-family residences, two are multiunit residential buildings, and ten are mixed-use buildings with commercial use on the ground floor and residential use above. All of these housing types are prevalent within the rezoning area. According to 2014 PLUTO data, the rezoning area includes nearly 1,500 two-family homes, and more than 3,300 residential units are

located within buildings containing between three to five dwelling units. Mixed-use commercial and residential buildings, containing between three to five residential units, account for nearly 12 percent of the housing units within the rezoning area.

Assuming that the average household size for the directly displaced households is equivalent to the 2010 Census average household size of 2.99 persons per household in Brooklyn CD5, the Proposed Actions could potentially directly displace approximately 158 residents residing in 53 dwelling units. Pursuant to *CEQR Technical Manual* guidelines, the direct displacement of fewer than 500 residents would not typically be expected to alter the socioeconomic character of a neighborhood.

The Proposed Actions would not displace a substantial or significant portion of the study area population. According to the 2010 Census, the residential population of the rezoning area (i.e., primary study area) is approximately 35,384 residents and the secondary study area contained 152,541 residents, for a total population of 187,925 in the overall study area. Therefore, the Proposed Actions have the potential to result in the direct displacement of less than 0.45 percent of the population in the primary study area and 0.08 percent of the population in the overall study area. Although this amount of displacement would not have the potential to cause a significant adverse direct residential impact, any displaced residents could apply for new affordable housing developed as a result of the Proposed Actions. Through existing or proposed City programs, HPD would offer appropriate assistance to displaced residents, including working with the local community to counsel displaced tenants and connect them to affordable housing resources in the area. See www.nyc.gov/housingconnect. Further, a newly created Tenant Harassment Prevention Task Force, which could assist tenants in rent-regulated units in bringing enforcement actions against landlords who harass tenants in East New York, would protect tenants from displacement. The City is committed to providing approximately $36 million for free legal representation in housing court to such tenants in rezoned neighborhoods facing harassment, building neglect, or eviction proceedings.

As the number of directly displaced residents would be fewer than 500 and constitutes less than five percent of the primary study area population, the Proposed Actions would not result in a significant adverse direct residential displacement impact and no further analysis is warranted.

Direct Business and Institutional 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 *CEQR Technical Manual* guidelines, displacement of a business or group of businesses is not, in and of 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 that the pertinent considerations for the preliminary assessment of direct business displacements are (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 the preservation of such businesses in the area in which they are located (i.e., as in the case of a designated Industrial Business Zone [IBZ]).

The Proposed Actions would result in some direct business and institutional displacement, and the amount of employment associated with that displacement could exceed the 100-employee *CEQR Technical Manual* threshold warranting a preliminary assessment. Therefore, a preliminary assessment of direct business displacement was conducted, which examines the employment and business value characteristics of the affected businesses to determine the significance of the potential impact.

This preliminary assessment begins with profiles of the businesses currently in the rezoning area and within an approximate ½-mile secondary study area.

Profile of Secondary Study Area Employment

As of 2012, there were an estimated 16,306 employees in the secondary study area (refer to Table 3-2). These employees represented slightly more than three percent of Brooklyn's total private employment and approximately 0.5 percent of total employment in New York City. Similar to Brooklyn, the economic sector with the highest employment in the secondary study area, representing slightly less than 30 percent of employment, was Health Care and Social Assistance. The next largest economic sectors in the study area included Transportation and Warehousing and Retail Trade representing approximately 17 and 14 percent of employment in the study area, respectively. As compared to the borough and the City as a whole, the secondary study area has a higher percentage of employment in the Transportation and Warehousing, Construction, and Manufacturing sectors.

There are currently an estimated 451 businesses located within the primary study area, which employ more than 4,400 workers. As detailed in Table 3-3, these businesses include a range of industry sectors, including Accommodation and Food Service, Administration and Support and Waste Management and Remediation Services, Construction, Educational Services, Finance and Insurance, Health Care and Social Assistance, Manufacturing, Other Services (excluding public administration), Professional, Scientific and Technical Services, Real Estate and Rental and Leasing, Retail Trade, Transportation and Warehousing, and Wholesale Trade. Similar to the secondary study area, the Health Care and Social Assistance sector, employing approximately 33 percent of the worker population, has the highest employment within the primary study area followed by Transportation and Warehousing, which represents approximately 29 percent of employment. Retail Trade accounts for approximately ten percent of employment. Combined these three sectors represent approximately 72 percent of the primary study area's employment.

TABLE 3-2
2012 Employment in the ½-Mile Secondary Study Area, Brooklyn and New York City

	Study Area		Brooklyn		New York City	
	Employees	Percent	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing & Hunting	D	-	58	0.0%	236	0.0%
Utilities	D	-	4,358	0.9%	14,986	0.5%
Construction	1,035	6.3%	23,923	5.0%	112,314	3.5%
Manufacturing	874	5.4%	20,165	4.2%	76,457	2.4%
Wholesale Trade	591	3.6%	24,047	5.0%	129,104	4.0%
Retail Trade	2,324	14.3%	64,989	13.5%	321,871	10.0%
Transportation & Warehousing	2,792	17.1%	17,835	3.7%	104,190	3.3%
Information	D	-	6,856	1.4%	161,316	5.0%
Finance & Insurance	235	1.4%	13,484	2.8%	310,194	9.7%
Real Estate & Rental & Leasing	250	1.5%	14,851	3.1%	115,739	3.6%
Professional, Scientific & Technical Services	132	0.8%	16,822	3.5%	335,638	10.5%
Management of Companies and Enterprises	D	-	2,583	0.5%	61,590	1.9%
Admin. & Support & Waste M'gt & Remediation Services	257	1.6%	22,691	4.7%	194,288	6.1%
Educational Services	1,252	7.7%	24,772	5.1%	149,413	4.7%
Health Care & Social Assistance	4,774	29.3%	159,332	33.0%	590,448	18.4%
Arts, Entertainment, & Recreation	D	-	5,440	1.1%	69,909	2.2%
Accommodation & Food Services	882	5.4%	32,376	6.7%	292,966	9.1%
Other Services, ex. Public Admin.	813	5.0%	24,300	5.0%	152,142	4.7%
Unclassified	D	-	4,025	0.8%	11,769	0.4%
All Other	95	0.6%	N.A.	-	N.A.	-
GRAND TOTAL	***16,306***	***100.0%***	***482,916***	***100.0%***	***3,204,608***	***100.0%***

Notes: D: denotes that number is too small to be disclosed
Source: NYSDOL Quarterly Census of Employment and Wages (QCEW), 3rd Quarter of 2012, compiled by DCP.

TABLE 3-3
2012 Employment in the Primary Study Area (Rezoning Area)

NAICS Business Category/Economic Sector	Firms	Percentage of Businesses	Workers	Jobs as a Percentage of Total
Accommodation & Food Services	44	9.8%	290	6.6%
Admin./Support & Waste M'gt/Remediation Services	17	3.8%	71	1.6%
Construction	25	5.5%	85	1.9%
Educational Services	3	0.7%	208	4.7%
Finance & Insurance	11	2.4%	23	0.5%
Health Care & Social Assistance	43	9.5%	1,452	32.9%
Manufacturing	20	4.4%	147	3.3%
Other Services (excl. Public Admin.)	69	15.3%	172	3.9%
Professional, Scientific, & Technical Services	7	1.6%	2	0.0%
Real Estate & Rental/Leasing	12	2.7%	18	0.4%
Retail Trade	114	25.3%	462	10.5%
Transportation & Warehousing	22	4.9%	1,272	28.8%
Wholesale Trade	22	4.9%	183	4.1%
All other	42	9.3%	30	0.7%
Primary Study Area Total	**451**	**100.0%**	**4,415**	**100.0%**

Source: NYSDOL QCEW, 3rd Quarter of 2012, compiled by DCP

Profile of Businesses and Institutions Subject to Potential Direct Displacement

The projected development sites that have been identified as likely locations for redevelopment under the Proposed Actions are analyzed under CEQR for potential business displacement as the assumed locations of potential private development. It is not known, however, if these sites will be developed. If these sites are redeveloped in the future with the Proposed Actions, it is possible that existing businesses could be directly displaced. However, such displacement would be subject to private contracts and lease terms between tenants and landlords existing at the time of redevelopment.

Although this EIS analyzes long-term development trends, it also identifies the firms subject to potential direct displacement based on existing conditions and the businesses currently located on projected development sites. In fact, however, New York City's commercial streets are dynamic; and businesses regularly open and close in response to changes in the economy, local demographics, and consumer trends. Therefore, within the period up to 2030, it is likely that a number of the businesses identified as likely to face displacement pressure as sites redevelop would close or relocate prior to assumed site development due to reasons independent of the Proposed Actions.

As described above, DCP has identified 80 projected development sites that are considered most likely to be developed in the future with the Proposed Actions under the RWCDS. Most of the projected development in the rezoning area is expected to take place on underutilized parcels. Some of the projected development sites are occupied entirely by vacant land, including projected development sites 1, 20, 57, and 61, and several of the projected development sites, which include two or more lots, also include vacant land on one or more parcels, including projected development sites 24, 31, 36, 47, and 81. A number of projected development sites are occupied by lower-intensity uses such as parking lots and vehicle and/or open storage uses, including projected development sites 2, 11, 15, 18, 48, 61, 65, 66, 71, 77, and part of site 31. In addition, portions of 13 of the 80 projected development sites contain vacant buildings (including projected development sites 13, 53, 67, 74, and portions of sites 12, 21, 28, 30, 31, 35, 36, 58, and 62).

As noted above, a number of projected development sites (16 of the 80 sites) as well as portions of 11 additional projected development sites are anticipated to be redeveloped as-of-right or undergo partial conversion/reoccupation under conditions without the Proposed Actions. All or portions of 64 of the 80 projected development sites are anticipated to only be redeveloped under the Proposed Actions (i.e., these 64 projected development sites are not anticipated to undergo any new development or reoccupation/conversion in the No-Action condition). Forty-five of these 64 projected development sites, which are not expected to be redeveloped or

undergo conversion/reoccupation in the future without the Proposed Actions, currently accommodate businesses/institutional uses that could be potentially directly displaced.

Three of these 45 projected development sites are occupied by business establishments or institutions that own/control their respective property. Pursuant to *CEQR Technical Manual* guidelines, owners who elect to sell or redevelop their properties are not typically considered directly displaced, as owners have decided to close or relocate business. Table 3-4 provides description of those three projected development sites that include owner-occupied properties and therefore, would not experience any direct displacement per the *CEQR Technical Manual*. Any displacement on these three projected development sites would be voluntary. The community facility organizations, or their parent organizations, control projected development sites 24 and 43. As such, although there may be a temporary displacement of these community facilities during construction in the future with the Proposed Actions, it is possible that the community facility organization or its parent organization could offer the space back to those community facility uses upon completion of the redevelopment. Temporary quarters in the area may also be offered at a different location in the area during the construction period itself. As such, the development anticipated on projected development sites 24 and 43 in the future with the Proposed Actions would be voluntary and would not result in any direct displacement pursuant to *CEQR Technical Manual* guidelines.

TABLE 3-4
Businesses/Institutions Occupying Projected Development Sites that Own their Respective Property

Projected Development Site	Block, Lot	Address	Name	Economic Sector
24	Block 3947, Lots 1, 5, 9	206-230 Hendrix St. 2797-2813 Atlantic Ave. 133-141 Van Siclen Ave.	St. Malachy Child Development Center 178-seats	Health Care & Social Service- Daycare
43	Block 3973, Lots 22, 24	3064-3088 Atlantic Ave. 2-18 Berriman St. 239-261 Shepherd Ave.	Medisys Family Health (affiliated with Jamaica Hospital Center)	Health Care & Social Service- Health Clinic
79	Block 4232, Lot 17	2700 Pitkin Ave. 81 Dosbcber St.	Mount Carmel Holiness Church	Other Service- Religious Organization

If these 42 remaining projected development sites are redeveloped as assumed under the RWCDS, it is possible that the existing firms and institutions on these 42 sites could be directly displaced to facilitate the construction of new development, subject to lease terms and agreements between private firms and property owners existing at the time of redevelopment. While the businesses and jobs currently located on the 42 projected development sites may not be located on the affected sites when redevelopment under the Proposed Actions occurs, the current businesses and employment are representative of the types of economic activities that could potentially be directly displaced in the future with the Proposed Actions.

As shown in Table 3-5, it is possible that the Proposed Actions could displace 86 businesses and two institutions (total of 88 establishments) on 42 of the 80 projected development sites.[2] These businesses and institutions provide jobs for an estimated 584 employees, accounting for approximately 13 percent of the total employment (4,415 workers) in the primary study area and slightly less than four percent of employment (16,306 workers) in the secondary study area. Such potential direct displacement would occur over an approximate 15-year period on a site-by-site basis. As discussed in further detail below, a considerable amount of businesses (approximately 41 percent of businesses and 45 percent of employment) that could be directly displaced are in automotive-related sectors, including automotive repair and maintenance services, vehicle rental agencies, towing, salvage, retail, and wholesale. While the Proposed Actions have the potential to result in the direct business and institutional displacement of 86 businesses and two institutions from 42 projected development sites, the Proposed Actions

[2] Projected development site 66 includes a 79,700 sf surface parking lot (Block 4141, Lot 1) that is used for vehicle storage for Access-A-Ride vehicles of Maggie's Paratransit Corp (MPC). MPC is a 24-hour transportation provider that provides lift-equipped vehicles to individuals who are unable to use mass transit in the City. MPC's offices and garage are located at 233 Norwood Avenue on the block to the west of site 66. There are no permanent employees associated with site 66.

would introduce retail, office, restaurant, supermarket, and community facility space that would add 3,710 workers over the No-Action condition.

TABLE 3-5
Economic Sectors of the Businesses and Institutional Uses that could be Potentially Displaced with the Proposed Actions by 2030

NAICS Business/ Economic Sector	Directly Displaced Firms	Percentage of Businesses/Institutions	Directly Displaced Workers	Jobs as a Percentage of Total
Retail Trade	23	26.1%	120	20.5%
Wholesale Trade	4	4.5%	19	3.2%
Accommodation & Food Service	5	5.7%	44	7.5%
Other Services (incl. auto-related uses)	34	38.6%	147	25.2%
Construction	3	3.4%	49	8.4%
Transportation-Related	3	3.4%	100	17.1 %
Manufacturing	4	4.5%	35	6.0%
Arts, Entertainment, & Recreation	2	2.3%	20	3.4%
Health Care & Social Assistance	3	3.4%	28	4.8%
Professional, Scientific & Technical Services	3	3.4%	6	1.0%
Administrative & Support	1	1.1%	4	0.7 %
Rental & Leasing	1	1.1%	4	0.7 %
Finance	1	1.1%	4	0.7%
Unknown	1	1.1%	4	0.7%
TOTALS	***88***	***100%***	***584***	***100%***

The 88 businesses/institutions that could be directly displaced conduct a variety of business activities, including automotive and transportation-related services, manufacturing, retail, wholesale, accommodation and food service, construction, professional and technical services, health care and social assistance services, fitness-related uses, and personal services (laundromats, drycleaner, masseuse etc.). Most of the businesses/institutions that could be directly displaced are located in the East New York/Cypress Hills area of the primary study area along the corridors of Fulton Street, and Atlantic and Liberty Avenues, with fewer establishments located on Glenmore and Pitkin Avenues. These 88 businesses/institutions occupy approximately 162,990 sf of commercial space (includes office, retail, motel, and restaurant space), 76,026 sf of auto-related space, 113,875 sf of industrial/warehousing space, and 2,250 sf of community facility space.

By industry sector, Other Services, which includes automotive-related services such as automotive maintenance and repair, represents the largest share of potentially displaced businesses (34 businesses, or approximately 39 percent of the total businesses displaced), followed by Retail Trade establishments (accounting for 23 businesses or approximately 27 percent of total businesses), Accommodation and Food Service businesses (five firms or approximately six percent), and Manufacturing and Wholesale Trade businesses (each having four firms or approximately four percent). The remaining sectors including Construction (three businesses), Transportation (three businesses), Arts, Entertainment, and Recreation (two businesses), Health Care and Social Assistance (three businesses), Professional, Scientific, and Technical Services (three businesses), Administrative and Support (one business), Rental and Leasing (one business), and Finance (one business) each accounted for less than four percent of total displaced businesses (for a total of approximately 20 percent).

Other Service establishments also account for the largest share of employees that could be potentially displaced (147 people or approximately 25 percent of the total displaced employment), followed by Retail Trade workers (120 people or approximately 20 percent) and Transportation workers (100 people or approximately 17 percent). Construction workers account for approximately eight percent of displaced employment, Accommodation and Food Service workers approximately seven percent and Manufacturing workers approximately six percent. The remaining industry sectors each account for less than five percent of displaced employment.

As detailed in Table 3-6, automotive-related uses, which include used car sales, auto parts and accessory stores, truck sales and rental agencies, gas stations, towing companies, car washes and repair and service shops, represent

a significant number of the businesses that could be potentially displaced. Approximately 41 percent of the firms (36 businesses) that could be potentially displaced are in auto-related industries, and these firms account for approximately 45 percent of the directly displaced employment (266 jobs). These businesses are categorized within several NAICS economic sectors, including: Retail Trade, Whole Trade, Other Services, Transportation, and Rental and Leasing. The largest portion of auto-related businesses (26 of the 36 auto-related establishments) are categorized as Other Services and offer repair and maintenance services, including general engine repair and maintenance, auto-body and paint work, brake services, and glass or tire replacement. Other auto-related businesses include salvage yards selling recycled automotive parts, a truck rental establishment, towing companies, and retail establishments selling new and used vehicles, parts and tires.

TABLE 3-6
Automotive-Related Uses that could be Potentially Directly Displaced with the Proposed Actions

NAICS Business/ Economic Sector	Number of Businesses	Percentage of Businesses/Institutions	Number of Workers	Jobs as a Percentage of Total
Total Automotive-Related Retail	4	4.5%	30	5.1%
Used Car Sales	*2*	*2.3%*	*13*	*2.2%*
Auto Parts & Accessory Sales	*1*	*1.1%*	*15*	*2.6%*
Salvage Yard/Parts	*1*	*1.1%*	*2*	*0.3%*
Total Automotive-Related Wholesale	2	2.3%	14	2.4%
Used Vehicle Sales	*1*	*1.1%*	*5*	*0.9%*
Salvage Yard/Parts	*1*	*1.1%*	*9*	*1.5%*
Total Automotive-Related Services	26	29.5%	118	20.2%
Automotive Service/Repair	*19*	*21.6%*	*82*	*14.0%*
Gas/Car Wash	*4*	*4.5%*	*15*	*2.6%*
Automotive Glass/Paint/Electronics	*3*	*3.4%*	*14*	*2.4%*
Total Rental & Leasing- Truck Rental	1	1.1%	4	0.7%
Transportation-Related	3	3.4%	100	17.1%
Directly Displaced Automotive-Related	**36**	**40.9%**	**266**	**45.5%**
TOTAL DIRECTLY DISPLACED (from Table3-5)	**88**	**100%**	**584**	**100%**

CEQR Preliminary Assessment Criteria

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

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

Based on the RWCDS for projected development sites, the numbers and types of businesses that could be directly displaced by the Proposed Actions and the numbers of employees associated with those businesses were estimated. As shown in Table 3-5, an estimated 584 employees in 88 businesses/institutions could be directly displaced by the Proposed Actions (businesses potentially displaced by redevelopment in the No-Action condition and business establishments that own their respective site are not included in this count). As discussed above, two business sectors account for the majority of businesses directly displaced: Other Services (34 businesses/institutions) and Retail Trade (23 businesses). The Other Services sector also accounts for the largest number of directly displaced employees (147 employees) followed by Retail Trade (120 workers) and Transportation (100 workers). Each of the affected industrial sectors is discussed below.

Accommodation and Food Services Sector

Five Accommodation and Food Service establishments, employing an estimated 44 workers, could be directly displaced (representing approximately seven percent of the displaced employment). These firms include three restaurants, a catering hall/event venue space, and a 42-room motel on five projected development sites (sites 6,

26, 34, 63, and 69). One of the three restaurants is sit-down with bar, and the other two are fast-food establishments with limited seating.

With 161 Accommodation and Food Service establishments in the secondary study area, there is an abundance of places to eat and drink. In addition, there are three motels within the secondary study area that collectively include more than 160 motel rooms. Furthermore, the directly displaced Accommodation and Food Service employees represent approximately 15 percent of this sector's employment (290 workers) in the primary study area and approximately five percent (882 workers) in the secondary study area. The potential employment loss within this sector would not be substantial, and none of these displaced businesses are uniquely dependent on their current location. There are currently more than 975,000 sf of retail within the primary study area. In addition, the Proposed Actions and associated RWCDS would introduce up to approximately 58,900 sf of restaurant space as compared to the No-Action condition. As such, this direct displacement would not constitute a significant adverse socioeconomic impact.

Arts, Entertainment, and Recreation Sector

Two firms in the Arts, Entertainment and Recreation sector, employing an estimated 20 workers (representing approximately three percent of the displaced employment) could be directly displaced. These firms include two fitness-related uses that are located on projected development site 25, and include a membership gym/fitness center and dance studio that primarily serve the local resident and worker populations. The gym occupies the second floor of the building located at 2925-2929 Atlantic Avenue/198-206 Ashford Street and the dance studio occupies some of the ground floor space of within same building. Neither of these of these businesses is uniquely dependent on its current location, nor do they offer services essential to the local economy that would no longer be available in the study area. There are seven other gyms/fitness centers within an approximately ¾-mile radius of the rezoning area.

Due to data disclosure limitations, it is not possible to calculate the percentage of total employment in the Arts, Entertainment and Recreation sector represented by the displaced firms in either the primary or secondary study area. When compared with the total sector employment (5,440 workers) in Brooklyn, these two firms represent approximately 0.4 percent of this sector's employment in the overall borough. The potential employment loss within this sector would not be substantial. As such, this direct displacement would not constitute a significant adverse socioeconomic impact.

Construction Sector

As shown in Table 3-5, there are three construction specialty contractor businesses located on three projected development sites (sites 5, 23, and 30), employing approximately 49 employees that could be directly displaced. These three firms represent approximately eight percent of the directly displaced employment.

Construction businesses typically do not focus on a specific neighborhood, but rather work on projects throughout New York City and beyond. Businesses or residents in need for construction services can rely on the 1,035 construction workers in the secondary study area or on the more than 23,923 construction employees in Brooklyn. In addition, there are more than 20 construction and/or welding companies within a ¾-mile radius of the primary study area. The directly displaced construction employees represent 58 percent of this sector's employment (85 workers) in the primary study area and less than five percent of employment (1,035 workers) in the secondary study area. As such, this direct displacement would not constitute a significant adverse socioeconomic impact.

Health Care & Social Assistance Sector

There are three businesses in the Health Care and Social Assistance sector that employ an estimated 28 workers. The existing Health Care and Social Assistance businesses include the 840 sf Police Athletic League on projected development site 3; the Nephrology Foundation of Brooklyn East Unit on projected development site 8; and the Dr. Elizabeth Lutas Center on projected development site 29. All of these services occupy commercial space and could be relocated within the study area.

Employment in the Health Care and Social Assistance sector represents approximately 33 percent of the total employment (with approximately 1,452 jobs) in the primary study area, and 29 percent of the total employment (with approximately 4,774 jobs) in the secondary study area. The rezoning area and secondary study area are expected to continue to include a significant amount of jobs in the health care and social assistance sector in the future, and, as such, the displaced businesses in this sector would not represent a substantial employment loss.

In addition, while the Nephrology Foundation of Brooklyn East Unit (an outpatient dialysis center) could be displaced as a result of the With-Action development on projected development site 8, there are four existing outpatient health centers already within the rezoning area, in addition to a number of day program and outpatient chemical dependency services and mental health facilities, as well as residential developmental disabilities services that would continue to provide health care employment and services in the future with the Proposed Actions. In addition, there are five dialysis centers that provide similar services with a combined 98 hemodialysis stations within a two-mile radius of the primary study area. Furthermore, any current City funding would remain in place for this health care facility. As such, this displacement would not constitute a significant adverse socioeconomic impact.

Similarly, while the Dr. Elizabeth Lutas Center (a homelessness prevention and family support center) could be potentially directly displaced under the RWCDS for the Proposed Actions, there are several similar facilities in the primary study area and surrounding area, including the East New York/Brownsville Family Support Center at 1165 Rockaway Avenue, which provides family counseling, and CAMBA HomeBase, at 1117 Eastern Parkway, which provides homelessness prevention assistance. As such, the displaced business does not provide products or services essential to the local economy that would no longer be available in its "trade area" to local residents or businesses due to the difficulty of either relocating the businesses or establishing new, comparable businesses.

The Police Athletic League, located on projected development site 3, may also be directly displaced due to the With-Action development. This existing service is part of the Juvenile Justice Service's Youth Link program, which provides services for youth (ages 12-16) involved in the Family Court System and offers counseling and life skills, academic enrichment, and sports and recreation services. The Police Athletic League has spaces throughout the City, including three centers within two miles of the primary study area. There are also similar services offered within the primary study area, including the Adolescent Employment and Education Program, located at 2673 Atlantic Avenue. The Police Athletic League services, occupying less than 1,000 sf, which could be potentially directly displaced is not uniquely dependent on its current location and could be accommodated by the more than 500,000 sf of office space in the rezoning area, or relocate to one of the many other Police Athletic League centers in the surrounding area. As such, this displacement would not constitute a significant adverse socioeconomic impact.

Professional Services, Finance, and Administrative and Support and Sectors

There are three tax services/accounting firms located on three projected development sites (sites 3, 21, and 32), which employ an estimated six workers in the Professional, Scientific and Technical Services sector that could be potentially directly displaced. When compared with the total employment (132 workers) for the secondary study area, this sector's directly displaced employment represents less than five percent. In addition, the Census Bureau's 2012 Zip Code Business Patterns indicate that there are 24 tax services/accounting firms in zip codes that are easily accessible (including zip codes 11207, 11208, 11212, and 11233) to the primary study area.

There is a single Finance sector firm, a check cashing establishment, located on projected development site 19, employing an estimated four workers, and a single Administrative and Support service, an internet café/business services establishment, located on projected development site 21, employing an estimated four workers. Both of these firms occupy ground floor commercial space. These two firms represent approximately two percent of employment (235 workers) within the Finance sector in the secondary study area and two percent of employment (257 workers) in the Administrative and Support Services sector in the secondary study area, respectively.

Although these businesses primarily serve the local worker and resident populations, their products and services are not unique to the rezoning area, with similar services being offered at other locations in the secondary study area, Brooklyn and New York City. Moreover, these businesses do not serve a population uniquely dependent on services at their particular location, and could be accommodated by the more than 500,000 sf of office space or 975,000 sf

of retail space in the primary study area. The Proposed Actions and associated RWCDS are expected to introduce up to approximately 654,636 sf of retail and 115,895 sf of office space as compared to the No-Action condition. As the employment loss would not be substantial, this displacement would not constitute a significant adverse socioeconomic impact.

Manufacturing Sector

Four manufacturing firms could be directly displaced from three projected development sites (sites 37, 76, and 78), which employ approximately 35 workers and represent approximately six percent of the directly displaced employment. These four firms include a manufacturer of PVC plastic film and sheet (Royal Plastics Corp), which presses, polishes, laminates and distributes vinyl plastics, and a manufacturer of vinyl tile for custom flooring in commercial and residential uses (Allied Tile Manufacturing Corp), both of which are located at 2840-2858 Atlantic Avenue/266 Barbey Street (site 37), a metal cabinet manufacturer (Pine Street Metals Inc.) that manufacturers, assembles, and distributes kitchen cabinets, radiator enclosures, wall units, and stainless sinks located at 348-352 Pine Street (site 76), and a manufacturer and distributor of quality paints and varnishes (Industrial Finishing Products) located at 2602-2624 Pitkin Avenue/465-475 Logan Street/212-222 Fountain Avenue (site 78). Borough-wide fabricated metal accounts for more than 10 percent of Brooklyn's manufacturing jobs. Metal products are highly customized to fit the need of a specific order. There are a number of metal fabricators in East New York, primarily clustered along Liberty and Atlantic Avenues and within the East Brooklyn Business Improvement District (BID). There are approximately 13 other manufacturing (metal and/ or plastic) business establishments within a ¾-mile radius of the primary study area.

Manufacturing firms do not typically serve the local economy or community, but a larger regional area. Therefore, they are not businesses that local customers would rely on for goods and services, or businesses that might necessitate close proximity to business practices or a particular customer base. Their business operations do not require them to be located in the primary study area and they could relocate in any suitably zoned location in the City. As shown in Tables 3-2 and 3-3, the directly displaced manufacturing employees represent approximately 24 percent of this sector's employment (147 workers) in the primary study area, and approximately four percent of employment in the secondary study area.

Other Services Sector

The Other Services (except Public Administration) sector comprises establishments engaged in providing services not specifically provided for elsewhere in the NAICS classification system, and include a range of businesses and organizations, such as: barber shops and beauty salons; religious organizations; automotive-related services; and laundry services. As shown in Table 3-5, 34 businesses/institutions in the Other Services sector could be directly displaced from projected development sites, accounting for an estimated 147 workers and slightly more than 25 percent of the directly displaced employment.

Four of the Other Services establishments are laundry services that are located on four projected development sites (sites 6, 21, 29, and 63), which employ an estimated 17 workers, two of the firms are personal services (a barber on site 54 and a massage parlor on site 27), employing approximately five workers, and two are religious institutions (sites 22 and 27). None of these businesses provide products or services that are unique to the rezoning area, with similar products and services being available at other locations throughout the study area, Brooklyn, and New York City. Nor are any of these businesses uniquely dependent on their current location.

The majority of Other Services (26 firms) are automotive-related services that are located on 21 projected development sites (3, 5, 9, 10, 12,22, 27, 28, 30, 32, 35, 39, 41, 42, 47, 50, 54, 60, 62, 68, and 69), which employ an estimated 118 workers (see Tables 3-5 and 3-6). As detailed in Table 3-6, these automotive services include 19 automotive services and repair shops, four gas stations and car washes, and three automotive glass, paint or stereo shops.

Automotive services draw from a market area that is larger than the ½-mile secondary study area. The products and services provided by these types of establishments are anticipated to still be available to consumers as other existing

businesses would remain in the surrounding area that provide similar types of products and services. Automotive service and repair shops are common in manufacturing and C8 zoning districts. According to the Census Bureau's 2012 County Business Patterns, there are 837 automotive repair and maintenance service establishments in Brooklyn that employ an estimated 3,014 workers (see Table 3-7). When compared with the total number of automotive service and repair shops in the borough, the potentially directly displaced automotive service establishments represent approximately three percent of automotive service and repair businesses in Brooklyn and account for less than four percent of employment within the industry in the borough. In addition, as shown in Table 3-7, the Census Bureau's 2012 Zip Code Business Patterns indicate that there are almost 80 auto repair and maintenance establishments in zip codes easily accessible to the primary study area (including zip codes 11207, 11208, 11212, and 11233). The displacement of these 19 establishments would not adversely affect local residents or businesses.

TABLE 3-7
Auto Repair and Maintenance Establishments

Zip Code	Establishments
11207	32
11208	30
11212	5
11233	11
Total	***78***
Brooklyn	**837**

Source: U.S. Census Bureau, Zip Code and County Business Patterns, 2012

Rental & Leasing Sector

A single Rental and Leasing firm, employing less than five workers and representing less than one percent of the displaced employment could be directly displaced. Atlantic Products/Ice Cubes R Us located at 355-359 Shepherd Avenue (site 80), a U-Haul Neighborhood Dealer and ice vender, is the only rental and leasing business that would be potentially directly displaced as a result of the Proposed Actions. The directly displaced employees represent approximately 22 percent of this sector's employment (18 workers) in the primary study area, and two percent of employment (250 workers) in the secondary study area. Although this business serves the local worker and resident populations, its services are not unique to the rezoning area, with similar services being offered at other locations in the secondary study area, Brooklyn and New York City. There are three other truck rental and moving supply companies within the secondary study area. Furthermore, according to the Census Bureau's 2012 County Business Patterns, there are 247 truck, utility trailer, and recreational vehicle rental and leasing firms in Brooklyn that employ an estimated 2,351 workers. As such, this direct displacement would not constitute a significant adverse socioeconomic impact.

Retail Trade Sector

Twenty-three retail businesses could be directly displaced, accounting for an estimated 120 workers or approximately 20 percent of the displaced employment. Businesses in this sector include four auto-related stores (sites 4, 14, 17, and 68), four delis/food marts (sites 6, 21, 22, and 63), three clothing stores (site 21, 22 and 39), two cell phone stores (sites 6 and 21), two health and personal care stores (sites 6 and 63), two home goods/furnishings stores (sites 7 and 30), a discount store (site 22), a thrift store (site 59), two liquor stores (sites 21 and 63), and two miscellaneous goods stores (sites 54 and 73). The majority of these retail businesses serve the local worker and resident populations. None of the retail businesses provide products or services that are unique to the rezoning area, with similar products and services being available at other locations throughout the study area, Brooklyn, and New York City. There are four other thrift store locations within a ½-mile radius of the primary study area.

The directly displaced retail employees represent approximately 26 percent of this sector's employment (462 workers) in the primary study area and approximately five percent (2,324 workers) in the secondary study area. As shown in Table 3-4, there are 114 retail establishments in the primary study area. The directly displaced retail establishments represent approximately 20 percent of retail establishments in the primary study area. None of these

displaced businesses are uniquely dependent on their current location, and there is currently more than 975,000 sf of retail within the rezoning area. In addition, the Proposed Actions and associated RWCDS are expected to introduce up to approximately 654,636 sf of retail space and 30,000 sf of supermarket space as compared to the No-Action condition. As such, this direct displacement would not constitute a significant adverse socioeconomic impact.

Transportation & Warehousing Sector

Three transportation-related businesses could be directly displaced, employing an estimated 100 workers or approximately 17 percent of the displaced employment. These three firms consist of two towing services located at 816-838 Liberty Avenue/100-120 Montauk Avenue/95 Atkins Avenue (site 55) and 844-858 Liberty Avenue (site 56), and a freight shipping arrangement service located at 820 Glenmore Avenue (site 62). These three transportation-related firms do not serve the local economy or community, but a larger regional area. As shown in Tables 3-2 and 3-3, the directly displaced transportation employees represent approximately eight percent of this sector's employment (1,272 workers) in the primary study area and four percent of employment (2,792 workers) in the secondary study area. According to the Census Bureau's 2012 County Business Patterns, there are 48 motor vehicle towing establishments in Brooklyn employing 320 workers and 100 freight transport arrangement services employing 100 workers. There are four other towing services and three freight shipping businesses within an approximate ½-mile radius of the primary study area.

Wholesale Trade Sector

Four wholesale establishments could be directly displaced, which account for an estimated 19 employees or approximately three percent of the displaced employment. These four firms include two automotive-related wholesale uses, a truck sales establishment located at 427-444 Euclid Avenue (site 75) and an automotive parts/salvage yard distributor located 66 Berriman Street (site 44), as well as two construction equipment, supplies, and tools wholesale distributors at 3047-3051 Atlantic Avenue /221-225 Essex Street (site 28) and at 2925-2929 Atlantic Avenue (site 25). These four wholesale establishments do not serve the local economy or community, but a larger regional area. As shown in Tables 3-2 and 3-3, the directly displaced wholesale trade employees represent approximately ten percent of this sector's employment in the primary study area, and approximately three percent in the secondary study area. The potential employment loss within this sector would not be substantial. As such, this direct displacement would not constitute a significant adverse socioeconomic impact. There is one additional automotive parts/salvage yard within a ½-mile radius of the primary study area. However, there are no truck sales establishments or construction equipment/supplies wholesale distributors located within the ½-mile radius.

Unknown/Unclassified

The Proposed Actions could result in the direct displacement of one additional business, employing an estimated four workers located at 1638-1642 East New York Avenue (site 12) that is unknown.

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

The Proposed Actions are consistent with, and implement, principal goals and objectives of the East New York Community Plan, including creating more affordable housing and more diverse commercial uses, promoting economic development and opportunity for residents, fostering safer streets, and generating new community resources. The proposed zoning map and zoning text amendments would set the stage for the further growth and development of East New York, encouraging a vibrant mix of residential, commercial, community facility, and light industrial uses and taking advantage of the area's status as a neighborhood with excellent transit accessibility. The proposed zoning districts would reinforce East New York's role as a transit hub and expand the opportunities for residential, commercial, and community facility development, which is expected to enliven the area and produce economic growth and further the community's goal of creating a stable climate for investment, employment retention, and new job creation.

For many years, New York City's economic development policy regarding the industrial sector has focused on identifying and supporting areas where such businesses are concentrated to ensure that they remain viable. At the

core of this industrial policy is the support of the City's 21 Industrial Business Zones (IBZs). These geographic areas were built largely upon the preexisting In-Place Industrial Parks to better reflect industrial land uses within the City. They are areas in which New York City provides expanded assistance services to industrial firms in partnership with local development groups. There are no IBZs within the primary study area and the 88 businesses and institutions that would be potentially directly displaced by the Proposed Actions are not the subject of current public policy seeking to preserve and protect the businesses or institutional categories. The East New York IBZ, which occupies all or portions of 38 blocks roughly bounded by Atlantic, Sheffield, Sutter, and New Lots Avenues, and Powell Street, falls outside of the rezoning area and would not be directly affected by the Proposed Actions.

As noted in Chapter 2, "Land Use, Zoning, and Public Policy," the Proposed Actions would also expand development opportunities for several blocks currently zoned only for light manufacturing uses. The proposed mixed-use districts would allow better accommodation of a variety of uses throughout these areas, including retail, offices, and other commercial anchors, residential uses, and certain semi- and light-industrial uses. Manufacturing areas would be maintained in areas with substantial amounts of industrial uses, including portions of the Ocean Hill along Fulton Street; portions of the East New York along Liberty and Atlantic Avenues; and portions of Cypress Hills along Atlantic Avenue and Dinsmore Place (encompassing the Dinsmore-Chestnut URA, described below), thereby maintaining the existing industrial uses in these areas as conforming land uses, while also permitting industrial businesses to expand in these areas.

There is one projected development site (site 66) located within the Dinsmore-Chestnut Urban Renewal Area (URA). This site is currently occupied by a vehicle storage lot for Maggie's Paratransit vehicles, which has its headquarter offices located off-site across the street at 233 Norwood Avenue. This existing vehicle storage use would be directly displaced as a result of the Proposed Actions. The Dinsmore-Chestnut URA, when established in 2001, sought to facilitate the enlargement of a then-existing food processing plant and create new freezer/refrigeration facilities and expanded and relocated food production kitchens, storage, and office facilities. The existing vehicle storage uses on the site are not consistent with the land use goals of the Dinsmore-Chestnut Urban Renewal Plan (URP). As part of Proposed Actions, the New York City Department of Housing, Preservation and Development (HPD) is proposing amendments to the URP to conform land use restrictions to the M1-4/R8A zoning proposed for the URA and to refresh the URP's general provisions. Additionally, disposition approval of the URA would allow development pursuant to and in accordance with the amended URP. Under the RWCDS, and as facilitated by the Proposed Actions, it is anticipated that a 1,030,914 sf development including 53,134 sf of industrial uses, 186,134 sf of community facility uses (school), 60,734 sf of local retail uses, 10,000 sf of restaurant uses, and 720 dwelling units (including 360 affordable DU) would be constructed on projected development site 66.

The East Brooklyn and Pitkin Avenue Business Improvement Districts (BIDs) are also located beyond the rezoning area's boundaries and would not be directly affected by the Proposed Actions. As described in Chapter 2, "Land Use, Zoning, and Public Policy," the Proposed Actions would provide support for existing ground floor retail uses by mapping commercial overlays along streets where existing ground floor retail uses exist to encourage the growth of local-scale commercial activity, which could support the creation of BIDs and/or merchants associations to further support retail growth along the major corridors.

Given that the businesses that could be directly displaced by the Proposed Actions do not provide products or services essential to the local economy that would no longer be available to local residents and businesses due to the difficulty of relocating nor are they the subject of regulations or publicly adopted plans to preserve, enhance, or protect them, the Proposed Actions would not result in significant adverse direct business displacement impacts and no further analysis is warranted. As part of the East New York Community Plan, the Department of Small Business Services would be offering business assistance programs targeted to the needs of this community and conducting a commercial district needs assessment to identify ways to strengthen existing businesses and commercial corridors. Furthermore, it is expected that some businesses that would be directly displaced would be able to relocate to new spaces in the study area.

Indirect Residential Displacement

Indirect residential displacement is usually the result of substantial new development in an area that is markedly different from existing uses. Such new development can lead to increased property values in an area, which can result in increased rents, making it difficult for some existing residents to remain in their homes. The assessment of indirect residential displacement aims to determine whether the Proposed Actions would either introduce a trend or accelerate an existing trend that may have the potential to displace a residential population and substantially change the socioeconomic character of the neighborhood.

The Proposed Actions would create a substantial amount of new housing (net incremental increase of 6,312 dwelling units) resulting in a sizable population increase of an estimated 18,801 new residents over the No-Action condition. This population increase would represent an approximately 51 percent increase in the residential population in the primary study area, and an approximately 9.8 percent increase in the residential population within the overall study area from the No-Action condition. As the Proposed Actions would result in a substantial increase in the residential population (i.e., approaching a ten percent increase in the overall study area) in the With-Action condition, a detailed analysis of indirect residential displacement is warranted, and is provided in Section E.

Indirect Business Displacement

Like the analysis of indirect residential displacement, a preliminary assessment for indirect business and institutional displacement focuses on the issue of whether an action would increase property values, and thus rents, throughout the study area, making it difficult for some categories of businesses to remain in the area. The objective of the indirect business displacement analysis is to determine whether the Proposed Actions may introduce trends that make it difficult for those businesses meeting the criteria set forth in Subsection 321.2 of *CEQR Technical Manual* to remain in the area. As specified in Subsection 321.2, these businesses include those establishments that provide products or services essential to the local economy that would no longer be available in its "trade area" to local residents or businesses due to the difficulty of either relocating the businesses or establishing new, comparable business, and a category of business subject of other regulations or publicly adopted plans to preserve, enhance, or otherwise protect it. The purpose of the preliminary assessment is to determine whether a proposed project has potential to introduce such a trend. If this is the case, a more detailed assessment may be necessary.

As detailed in Chapter 1, "Project Description," the Proposed Actions and associated RWCDS would result in a net increase in residential, commercial, and community facility uses distributed throughout the 190-block rezoning area when compared to conditions in the future without the Proposed Actions. This includes a net increase of approximately 6,312 DUs, including a combination of affordable and market-rate units, approximately 859,431 sf of commercial space, and approximately 457,870 sf of community facility space in the rezoning area on 80 projected development sites. The total difference between the built square footage in the No-Action and With-Action conditions is more than 7.3 million square feet. Given that the Proposed Actions and associated RWCDS would result in substantial new development, it was determined that an indirect business and institutional displacement socioeconomic impact cannot be ruled out and a detailed analysis was undertaken and provided in Section F.

Adverse Effects On Specific Industry

According to the *CEQR Technical Manual*, a significant adverse impact may occur if an action would measurably diminish the viability of a specific industry that has substantial economic value to the City's economy. An example as cited in the *CEQR Technical Manual* would be new regulations that prohibit or restrict the use of certain processes that are critical to certain industries. The *CEQR Technical Manual* indicates that a more detailed examination is appropriate if the following considerations cannot be answered with a clear "no":

- *Would the proposed project significantly affect business conditions in any industry or category of business within or outside of the study area?*

The Proposed Actions are not expected to significantly affect business conditions in any industry or category of business within or outside of the study area.

The Proposed Actions would not affect citywide policy or regulatory mechanisms. As described above, the businesses that have the potential to be directly displaced vary in type and size, and largely consist of smaller sized firms that employ ten workers or less. Many of the displaced firms are also not tied to the local economy or community. Although the majority of affected businesses consist of retail establishments and automotive repair/service shops, these uses are common throughout the borough and the City. Within any economic sector, the potentially directly displaced employment represents a small fraction of the respective sector's employment within the borough or City as a whole.

The Proposed Actions would introduce zoning changes that would result in the addition of affordable housing and mixed-use development. The proposed zoning changes would allow medium- to higher-density development, a greater variety of uses along key corridors of Atlantic Avenue, Fulton Street, Pitkin Avenue, Pennsylvania Avenue and Liberty Avenue, and would promote mixed-use development with housing, commercial uses, and community facilities. Increased residential density is expected to reinforce demand for a greater variety of local retail services such as grocery stores, pharmacies, banks, and restaurants, supporting the growth of existing and new businesses.

The Proposed Actions would expand development opportunities for several blocks currently zoned for light manufacturing by mapping mixed-use (MX) districts that would increase density and allow for more flexibility to facilitate mixed-use development supporting a wide range of uses and activities, including retail, offices, semi-industrial and light industrial uses, as well as residential. The proposed MX districts are intended to support the growth and expansion of existing commercial and light manufacturing uses, while allowing street-enlivening retail uses and modest residential growth to occur. Additionally, the Proposed Actions would map new commercial overlays along Pitkin, Liberty, Pennsylvania and Atlantic Avenues to establish continuous retail corridors to better serve current and future local retail needs.

While some existing manufacturing districts would be rezoned to residential districts, particularly in the Ocean Hill area, many of these areas are characterized by long-standing residential blocks. Changing the zoning to a residential district would recognize these current uses, allow new housing, and require that new buildings be consistent in form with the existing built environment. This would prevent out-of-context development and also strengthen the integration of this portion of Ocean Hill with the rest of the neighborhood.

It should also be noted that the Proposed Actions would result in an increase in total employment in the rezoning area, with a net increase of approximately 3,710 workers as compared to the No-Action conditions. Most of these workers are expected to be in retail and office uses, as well as the staff of community facility uses. Therefore, the Proposed Actions would not result in an adverse impact on a particular industry or category of businesses within or outside the study area, and would facilitate the development of new commercial and industrial uses.

- *Would the proposed project indirectly substantially reduce employment or impair the economic viability of an industry or category of business?*

As described in the preliminary assessment of direct business and institutional displacement and the detailed indirect businesses and institutional displacement discussion in Section F, the Proposed Actions are not expected to significantly affect business conditions in any category of businesses within the study area. As described in the indirect business displacement assessment, the Proposed Actions would not indirectly substantially reduce employment or impair the economic viability of an industry or category of business.

E. DETAILED ASSESSMENT OF INDIRECT RESIDENTIAL DISPLACEMENT

The preliminary assessment for indirect residential displacement indicated the need for further analysis in order to determine whether the Proposed Actions and associated RWCDS could result in significant adverse impacts due to indirect residential displacement. Therefore, a detailed analysis has been conducted. The approach to a detailed analysis of indirect residential displacement requires an in-depth analysis of census information and may include field surveys, and interviews with real estate brokers and individuals from organizations with knowledge of the local housing market. The objective of the detailed analysis is to determine whether the Proposed Actions may introduce or accelerate a socioeconomic trend that may potentially displace a low-income population now living in rent-unprotected units. That is, the analysis looks at whether there are renters living in units not protected by rent stabilization, rent control, or other government regulations restricting rents, whose incomes are too low to afford increases in rents. In order to determine impacts, the detailed analysis characterizes existing conditions of residents and housing to identify potential populations at risk, assesses current and future socioeconomic trends in the area that may affect these populations, and examines the potential effects of the Proposed Actions on those trends.

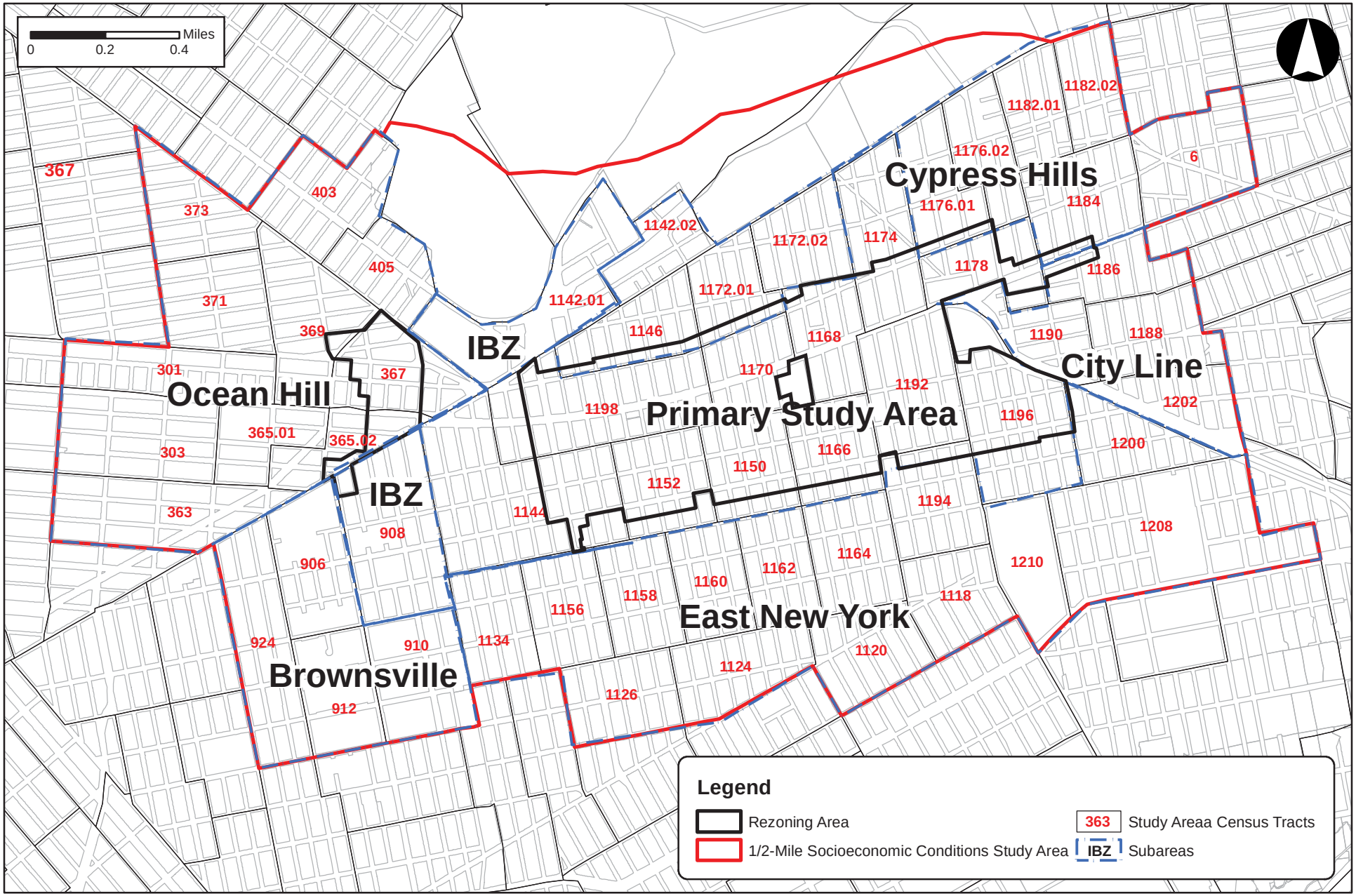
The detailed analysis of indirect residential displacement examines a primary study area, which roughly encompasses the rezoning area, and a ½-mile secondary study area, adjusted to census tract boundaries, (see Figure 3-1). Given the size of the secondary study area, it has been divided into six subareas, which generally approximate the six neighborhoods included within the ½-mile radius. As shown in Figure 3-3, the secondary study area has been divided into the following subareas: Ocean Hill, East New York, Cypress Hills, City Line, Brownsville, and Broadway Junction/East New York Industrial IBZ. While these neighborhoods are discussed in the text when relevant, the data are presented for both the primary and secondary study areas, and broken out by census tract where appropriate. In addition, in accordance with *CEQR Technical Manual* guidelines, the detailed analysis considers an area within a ½-mile radius of the secondary study area to examine real estate market trends and ascertain whether the surrounding area has experienced a readily observable trend toward increasing rents and the likely effect of the Proposed Actions on such trends.

Existing Conditions

This section describes the population and housing characteristics of the primary and secondary study areas. It outlines trend data since the 2000 Census and compares the characteristics of the primary and secondary study areas to Brooklyn and New York City as a whole.

Population

According to the U.S. Census, in 2010, the primary study area had a population of 35,384 and the secondary study area had a population of 152,541 (see Table 3-8). The subareas of Ocean Hill, Cypress Hills and East New York accounted for approximately 75 percent of the residential population within the secondary study area. As compared to the overall borough and the City, which experienced relatively small increases in population between 2000 and 2010, the primary study area's population increased considerably by slightly more than 11 percent. The overall study area (encompassing both the primary and secondary study areas) population increased by nearly five percent during this time and also grew at a faster rate than the borough (1.6 percent) and the City (2.1 percent) as whole. As shown in Table 3-8, most of the residential population growth in the secondary study area occurred in the Ocean Hill and East New York subareas, which had population increases of approximately eight and four percent, respectively. Although the Broadway Junction/East New York IBZ subarea had almost a nine percent increase in population within the secondary study area, the absolute population increase was small.



East New York Rezoning Proposal

Figure 3-3
Socioeonomic Conditions Study Area Subareas

TABLE 3-8
Residential Population- 2000 and 2010

	Total Population		Change 2000-2010	
	2000	2010	Number	Percent
Primary Study Area	**31,808**	**35,384**	**3,576**	**11.2%**
Ocean Hill Subarea	29,481	31,785	2,304	7.8%
Brownsville Subarea	19,617	19,661	44	0.2%
Broadway Junction/ENY IBZ Subarea	5,112	5,568	456	8.9%
Cypress Hills Subarea	33,364	33,681	317	1.0%
East New York Subarea	48,394	50,199	1,805	3.7%
City Line Subarea	11,595	11,647	52	0.4%
Total 1/2-Mile Secondary Study Area	**147,563**	**152,541**	**4,978**	**3.4%**
Primary and Secondary Study Area Total	**179,371**	**187,925**	**8,554**	**4.8%**
Brooklyn	***2,465,326***	***2,504,700***	***39,374***	***1.6%***
New York City	***8,008,278***	***8,175,133***	***166,855***	***2.1%***

Source: Bureau of the Census, 2000 and 2010 Census Summary File 1

Household and Income Characteristics

The number of total households and family households[3] also increased at a faster rate within both the primary and secondary study areas between 2000 and 2010, as compared to the borough and City as a whole. In sum, there were 10,541 households in 2010 in the primary study area (see Table 3-9), with an average household size of 3.30—higher than both Brooklyn (2.69) and the citywide (2.57) averages. From 2000 to 2010, the number of households increased by 15 percent in the primary study area, approximately eight percent in the secondary study area, and nine percent in overall study area as compared to Brooklyn, overall, and New York City, which increased by approximately four and three percent, respectively. With the exception of City Line, the number of households grew in all subareas of the secondary study area.

TABLE 3-9
Household Characteristics- 2000 and 2010

	Households			Family Households			Average Household Size	
	2000	2010	Percent Change	2000	2010	Percent Change	2000	2010
Primary Study Area	**9,166**	**10,541**	**15.0%**	**7,216**	**8,015**	**11.1%**	**3.43**	**3.30**
Ocean Hill Subarea	10,159	11,610	14.3%	7,014	7,646	9.0%	2.85	2.70
Brownsville Subarea	6,780	6,945	2.4%	4,848	4,929	1.7%	2.93	2.81
Broadway Junction/ENY IBZ Subarea	1,494	1,763	18.0%	1,061	1,233	16.2%	3.02	2.80
Cypress Hills Subarea	9,391	9,790	4.2%	7,718	7,707	-0.1%	3.54	3.43
East New York Subarea	15,136	16,528	9.2%	11,492	12,088	5.2%	3.10	2.97
City Line Subarea	3,150	3,145	-0.2%	2,643	2,565	-3.0%	3.67	3.69
Total 1/2-Mile Secondary Study Area	**46,110**	**49,781**	**8.0%**	**34,776**	**36,168**	**4.0%**	**3.15**	**3.02**
Primary and Secondary Study Area Total	**55,276**	**60,322**	**9.1%**	**41,992**	**44,183**	**5.2%**	**3.19**	**3.07**
Brooklyn	***880,727***	***916,856***	***4.1%***	***584,120***	***573,363***	***-1.8%***	***2.75***	***2.69***
New York City	***3,021,588***	***3,109,784***	***2.9%***	***1,853,223***	***1,850,221***	***-0.2%***	***2.59***	***2.57***

Source: Bureau of the Census, 2000 and 2010 Census Summary File 1

[3] According to the Bureau of the Census, a family household consists of two or more people (one of whom is the householder) related by birth, marriage, or adoption residing in the same housing unit. Total households includes households consisting of all people who occupy a housing unit regardless of relationship. A household may consist of a person living alone or multiple unrelated individuals or families living together.

Similar to total households, the number of family households also grew in both the primary and secondary study areas plus the overall study area by approximately 11, four, and five percent, respectively (see Table 3-9). With the exception of City Line and Cypress Hills, the number of family households grew in all subareas of the secondary study area. In comparison, the number of family households decreased in the Borough of Brooklyn and New York City, by approximately two and 0.2 percent, respectively.

Income characteristics for the study area population are described below using three parameters: median household income, average or mean household income, and poverty rate. The median household income represents the mid-point of all household incomes in a study area. The average household income is calculated by dividing aggregate income by the total number of households in a study area. The presence of high income households raises the average or mean income, sometimes substantially higher than the median or mid-point of household incomes in a study area.

As shown in Tables 3-10 to 3-12, the primary and secondary study areas are within a predominantly low-income area, where income levels are considerably lower and poverty levels are higher as compared to the borough and City as a whole. In 2009-2013, the primary study area contained slightly higher median and mean household income levels than the secondary study area (see Table 3-10). Taken together, the primary and secondary study areas had a median household income of $32,815, which was approximately 30 percent lower than the median in Brooklyn ($46,695) and 38 percent lower than the median in New York City ($52,950). Between 1999 and 2009-2013, the median household income in the primary study area decreased by 5.5 percent, compared with a 1.2 percent decrease in Brooklyn and almost a six percent decrease in New York City.

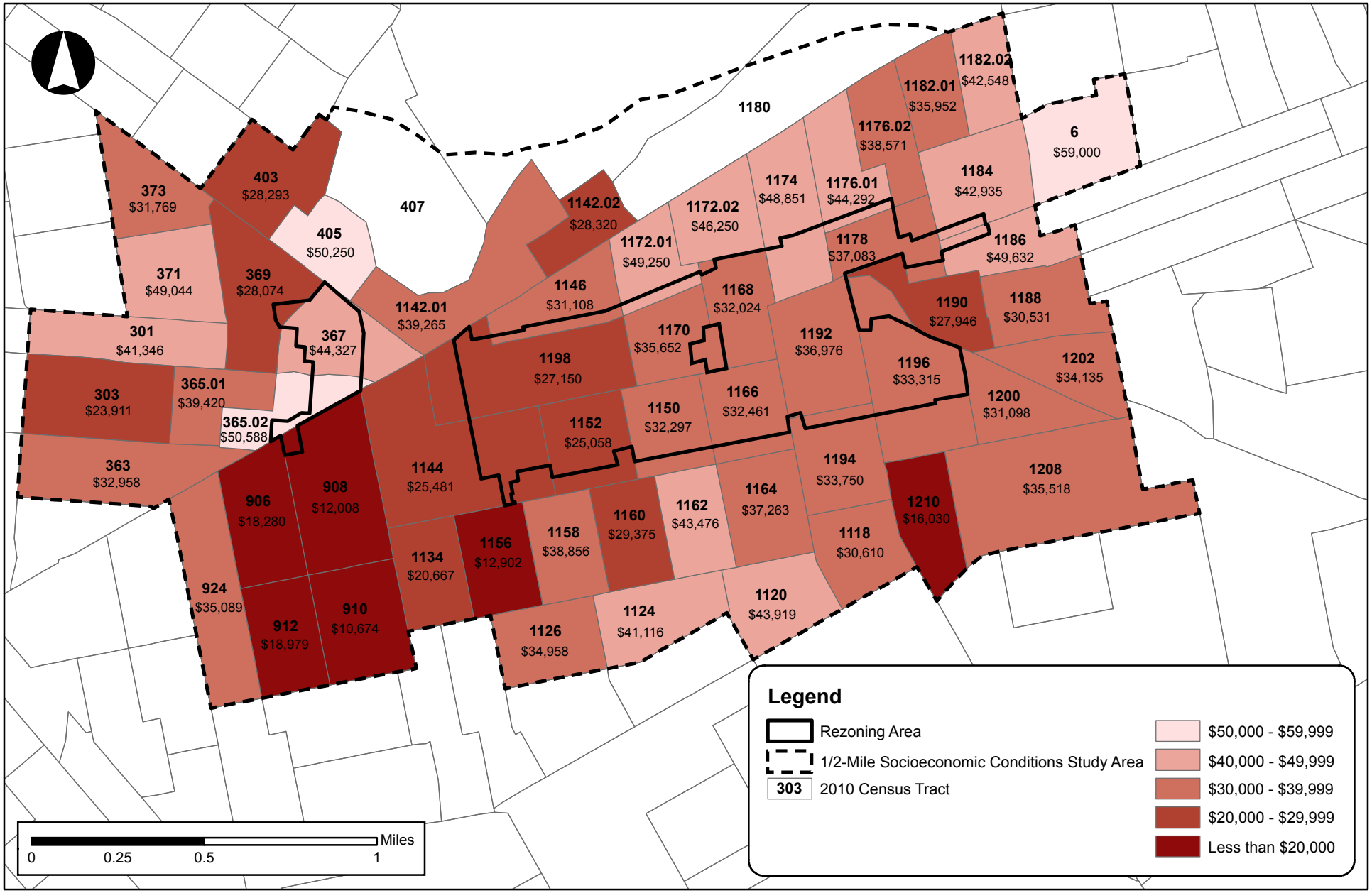
TABLE 3-10
Household Income Characteristics- 1999 and 2009-2013

	Median Household Income			Mean Household Income		
	1999	2009-2013	Percent Change	1999	2009-2013	Percent Change
Primary Study Area	**$37,148**	**$35,120**	**-5.5%**	**$51,592**	**$47,096**	**-8.7%**
Ocean Hill Subarea	$31,728	$35,109	10.7%	$43,436	$46,312	6.6%
Brownsville Subarea	$15,262	$18,464	21.0%	$30,508	$27,273	-10.6%
Broadway Junction/ENY IBZ Subarea	$29,127	$20,774	-28.7%	$41,890	$36,431	-13.0%
Cypress Hills Subarea	$49,898	$42,201	-15.4%	$64,387	$52,181	-19.0%
East New York Subarea	$38,324	$31,964	-16.6%	$50,823	$42,426	-16.5%
City Line Subarea	$40,300	$35,629	-11.6%	$56,848	$47,006	-17.3%
Total 1/2-Mile Secondary Study Area	**$35,663**	**$32,314**	**-9.4%**	**$49,086**	**$42,878**	**-12.6%**
Primary and Secondary Study Area Total	**$35,911**	**$32,815**	**-8.6%**	**$49,313**	**$43,630**	**-11.5%**
Brooklyn	***$47,246***	***$46,695***	***-1.2%***	***$68,060***	***$68,523***	***0.7%***
New York City	***$56,299***	***$52,950***	***-5.9%***	***$86,016***	***$83,648***	***-2.8%***

Source: Bureau of the Census, 2000 Census, Summary File 3, ACS 2009-2013 5-year Estimates

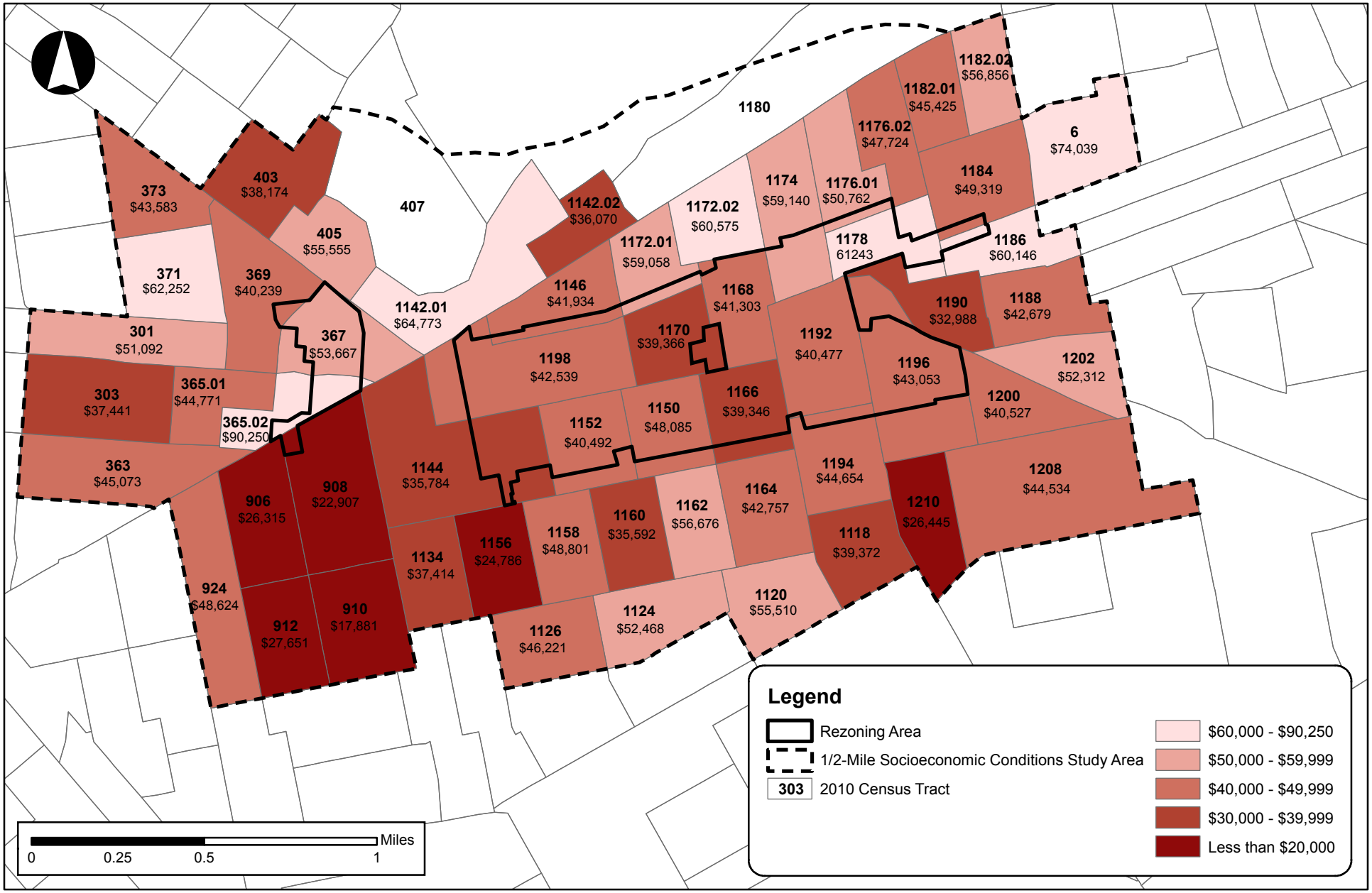
As also shown in Table 3-10, the average household incomes are higher than the medians for each of the three study areas (approximately 25 percent higher), indicating that each study area contains a population that is earning significantly more than the median household income. The overall study area had a mean household income of $43,630, which was approximately 36 percent lower than the mean household income in Brooklyn ($68,523) and 48 percent lower than the mean household income in the City ($83,648).

Figures 3-4 and 3-5 show the median and average household income levels in both the primary and secondary study areas by individual census tract. As shown in Figures 3-4 and 3-5, there is considerable variation in incomes across the primary and secondary study areas. A cluster of census tracts in the southwestern portion of the secondary study area generally have the lowest median and average household incomes, which may be partially attributable to the presence of public housing complexes. As a whole, both the primary and secondary study areas are characterized by



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Figure 3-4
Median Household Incomes



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Figure 3-5
Average Household Incomes

median and average household incomes that are lower than the medians and averages for Brooklyn and New York City.

Table 3-11 provides the distribution of household incomes within the study areas according to 2009-2013 ACS data. As shown in Table 3-11, there is a disproportionate percentage of lower income households in both the primary and secondary study areas as compared to the borough and City as a whole. Nearly 44 percent of the residential population within the overall study area earned less than $25,000 in 2009-2013 as compared to only 30 percent in the borough and 27 percent citywide. Approximately 65 percent of households within the primary study area and 69 percent of the households within the secondary study area had incomes below $50,000. In comparison, only about half of the households in Brooklyn and New York City had incomes below $50,000.

TABLE 3-11
2009-2013 Household Income Distribution

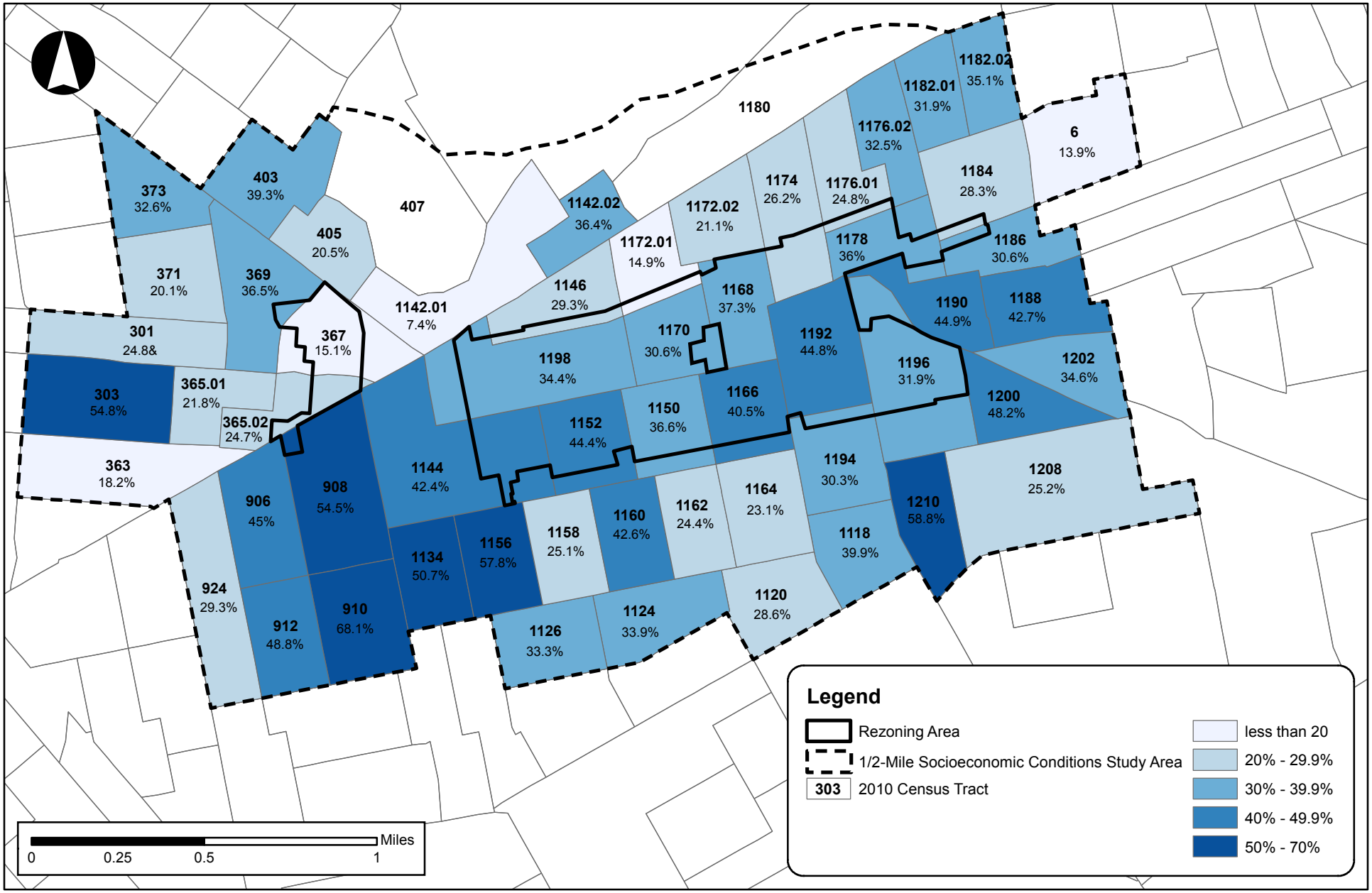
	Total	Households Earning Less than $25,000		Households Earning $25,000 to $49,999		Households Earning $50,000 to $99,999		Households Earning $100,000 to $199,999		Household Earning $200,000 or more	
	Households	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Primary Study Area	**10,478**	**4,109**	**39.2%**	**2,695**	**25.7%**	**2,690**	**25.7%**	**860**	**8.2%**	**124**	**1.2%**
Ocean Hill Subarea	11,710	4,849	41.4%	2,906	24.8%	2,686	22.9%	1,120	9.6%	149	1.3%
Brownsville Subarea	7,122	4,475	62.8%	1,600	22.5%	815	11.4%	205	2.9%	27	0.4%
Broadway Junction/ENY IBZ	1,752	1,041	59.4%	321	18.3%	295	16.8%	67	3.8%	28	1.6%
Cypress Hills Subarea	8,234	2,885	35.0%	1,976	24.0%	2,225	27.0%	1,044	12.7%	104	1.3%
East New York Subarea	16,312	7,174	44.0%	4,062	24.9%	3,582	22.0%	1,344	8.2%	150	0.9%
City Line Subarea	3,149	1,344	42.7%	718	22.8%	632	20.1%	425	13.5%	30	1.0%
Total 1/2-Mile Secondary Study Area	**48,279**	**21,768**	**45.1%**	**11,583**	**24.0%**	**10,235**	**21.2%**	**4,205**	**8.7%**	**488**	**1.0%**
Primary & Secondary Study Area Total	**58,757**	**25,877**	**44.0%**	**14,278**	**24.3%**	**12,925**	**22.0%**	**5,065**	**8.6%**	**612**	**1.0%**
Brooklyn	***916,025***	***277,922***	***30.3%***	***206,609***	***22.6%***	***241,700***	***26.4%***	***149,195***	***16.3%***	***40,599***	***4.4%***
New York City	***3,070,298***	***837,463***	***27.3%***	***643,772***	***21.0%***	***815,550***	***26.6%***	***553,878***	***18.0%***	***219,635***	***7.2%***

Source: Bureau of the Census, ACS 2009-2013 5-year Estimates

Higher income households were also underrepresented within both the primary and secondary study areas. Less than ten percent of households within the overall study area had incomes above $100,000, as compared to more than 20 percent of households in Brooklyn and more than 25 percent of households in the City as a whole. The Cypress Hills and City Line subareas had slightly higher percentages of households at this income level, at nearly 14 and 14.5 percent, respectively, but were still lower than the percentages borough-wide and citywide. In all areas of the overall study area, including within the primary study area, less than two percent of households earned $200,000 or more, as compared to more than four percent of households in Brooklyn and approximately seven percent citywide.

The overall study area experienced a slight decrease in the percentage of the persons below poverty level between 1999 and 2009-2013, however, poverty levels in the study area are higher than in the borough and City as a whole. As shown in Table 3-12, the poverty rate in the primary study area, secondary study area, and overall study area in 2009-2013 was slightly more than 35 percent, approximately 12 percentage points higher than the borough-wide rate, and nearly 15 percentage points higher than the poverty rate for New York City as a whole. As shown in Table 3-12, between 1999 and 2009-2013, the poverty rate in the primary study area increased by one percent, while it decreased in the secondary study area and overall study area by 1.3 and 0.9 percent, respectively. Between 1999 and 2009-2013, the poverty rate in Brooklyn increased at a slightly higher rate than the primary study area, by nearly two percent and decreased in the City as a whole by almost five percent. Figure 3-6 shows the percentage of persons below the poverty level in each of the census tracts within both the primary and secondary study areas.

As also shown in Table 3-12, the percent of persons below 50 percent of the poverty level in the primary study area was almost 14 percent and slightly more than 20 percent in the secondary and overall study areas in 2009-2013. In Brooklyn and New York City, approximately ten percent and nine percent of persons were below 50 percent of the



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Figure 3-6
Poverty Rate

poverty level, respectively. As shown in Table 3-12, between 1999 and 2009-2013, the percent of persons below 50 percent of the poverty level in the primary study area decreased by approximately seven percent, as compared to only a 1.5 percent decrease in the secondary and overall study areas. The percent of persons below 50 percent of the poverty level in Brooklyn and New York City decreased by one and four percent, respectively, during this same timeframe.

TABLE 3-12
Percent of Population below the Poverty Level- 1999 and 2009-2013

	Percent of Persons Below Poverty Level			Percent of Persons Below 50% of Poverty Level		
	1999	2009-2013	Percent Change	1999	2009-2013	Percent Change
Primary Study Area	**34.2%**	**35.4%**	**1.1%**	**21.3%**	**13.9%**	**-7.3%**
Ocean Hill Subarea	39.3%	32.0%	-7.3%	25.7%	18.4%	-7.3%
Brownsville Subarea	56.5%	51.0%	-5.5%	36.8%	32.2%	-4.5%
Broadway Junction/ENY IBZ Subarea	43.9%	39.0%	-5.0%	26.6%	19.3%	-7.3%
Cypress Hills Subarea	23.0%	26.4%	3.4%	11.0%	13.5%	2.5%
East New York Subarea	35.8%	36.5%	0.7%	21.4%	21.3%	-0.1%
City Line Subarea	38.5%	35.5%	-3.0%	21.4%	20.7%	-0.7%
Total 1/2-Mile Secondary Study Area	**36.8%**	**35.5%**	**-1.3%**	**22.1%**	**20.7%**	**-1.5%**
Primary and Secondary Study Area Total	**36.4%**	**35.5%**	**-0.9%**	**22.0%**	**20.5%**	**-1.5%**
Brooklyn	***21.2%***	***23.2%***	***1.9%***	***11.3%***	***10.3%***	***-1.0%***
New York City	***25.1%***	***20.3%***	***-4.7%***	***13.3%***	***9.0%***	***-4.3%***

Source: Bureau of the Census, 2000 Census, Summary File 3, ACS 2009-2013 5-year Estimates

Housing Stock

The housing stock within the overall study area is varied and consists of detached and semi-detached single-family and two-and three-family homes, mixed commercial and residential buildings, smaller walkup residential buildings, some larger multi-unit residential buildings, and tower-in-the-park public housing high-rises. As described in the preliminary assessment of direct residential displacement, the primary study area is largely characterized by one- and two-family detached and semi-detached houses, and smaller residential and mixed-use commercial and residential buildings containing between three to five dwelling units, as well as a few larger multiunit residential buildings.

Mirroring population growth, the housing stock in the primary study area grew by almost 15 percent (from 10,449 units to 11,986 units) and in the secondary study area by approximately eight percent (from 50,075 units to 54,192 units) between 2000 and 2010 (see Table 3-13). The housing stock in the overall study area increased by approximately nine percent, compared with a 7.5 percent increase in Brooklyn and a five percent increase in New York City (see Table 3-13). The greatest increase in housing stock in the secondary study area occurred in the Ocean Hill subarea, where the housing stock increased by almost 13 percent (from 11,607 units to 13,806 units).

As also shown in Table 3-13, the secondary study area had an eight percent housing vacancy rate in 2010, which was consistent with the larger borough (8.3 percent), whereas the primary study area had a higher vacancy rate, at 12 percent.

According to the Census, in 2010 there were approximately 10,541 occupied housing units in the primary study area (see Table 3-14). Of these, approximately 25 percent were owner-occupied and 75 percent were renter-occupied (see Table 3-14). The primary study area's owner-occupancy rate was slightly higher than in the secondary study area (approximately 22 percent), and in the overall study area (approximately 22 percent), and was lower than in Brooklyn (approximately 28 percent) and New York City (31 percent).

TABLE 3-13
Housing Characteristics- 2000 and 2010

	2000		2010		Change 2000 to 2010			
	Total Housing Units	Vacant Housing Units	Total Housing Units	Vacant Housing Units	Total Housing Units		Vacant Housing Units	
					Number	Percent	Number	Percent
Primary Study Area	10,449	1,283	11,986	1,445	1,537	14.7%	162	12.6%
Ocean Hill Subarea	11,607	1,448	13,086	1,476	1,479	12.7%	28	1.9%
Brownsville Subarea	6,788	184	7,094	149	306	4.5%	-35	-19.0%
Broadway Junction/ENY IBZ Subarea	1,785	115	1,872	109	87	4.9%	-6	-5.2%
Cypress Hills Subarea	10,134	743	10,763	973	629	6.2%	230	31.0%
East New York Subarea	16,357	1,221	17,912	1,384	1,555	9.5%	163	13.3%
City Line Subarea	3,404	254	3,465	320	61	1.8%	66	26.0%
Total 1/2-Mile Secondary Study Area	50,075	3,965	54,192	4,411	4,117	8.2%	446	11.2%
Primary and Secondary Study Area Total	60,524	5,248	66,178	5,856	5,654	9.3%	608	11.6%
Brooklyn	930,866	50,139	1,000,293	83,437	69,427	7.5%	33,298	66.4%
New York City	3,200,912	179,324	3,371,062	261,278	170,150	5.3%	81,954	45.7%

Source: Bureau of the Census, 2000 and 2010 Census Summary File 1

TABLE 3-14
Housing Tenure of Occupied Units, 2000 and 2010

	Owner-Occupied Housing Units				Renter-Occupied Housing Units			
	2000		2010		2000		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Primary Study Area	**2,439**	**26.6%**	**2,633**	**25.0%**	**6,727**	**73.4%**	**7,908**	**75.0%**
Ocean Hill Subarea	1,846	18.2%	2,315	19.9%	8,313	81.8%	9,295	80.1%
Brownsville Subarea	254	3.7%	262	3.8%	6,526	96.3%	6,683	96.2%
Broadway Junction/ENY IBZ Subarea	282	18.9%	254	14.4%	1,212	81.1%	1,509	85.6%
Cypress Hills Subarea	3,312	35.3%	3,183	32.5%	6,079	64.7%	6,607	67.5%
East New York Subarea	3,702	24.5%	3,938	23.8%	11,434	75.5%	12,590	76.2%
City Line Subarea	1,091	34.6%	955	30.4%	2,059	65.4%	2,190	69.6%
Total 1/2-Mile Secondary Study Area	**10,487**	**22.7%**	**10,907**	**21.9%**	**35,623**	**77.3%**	**38,874**	**78.1%**
Primary and Secondary Study Area Total	**12,926**	**23.4%**	**13,540**	**22.4%**	**42,350**	**76.6%**	**46,782**	**77.6%**
Brooklyn	***238,367***	***27.1%***	***254,241***	***27.7%***	***642,360***	***72.9%***	***662,615***	***72.3%***
New York City	***912,296***	***30.2%***	***962,892***	***31.0%***	***2,109,292***	***69.8%***	***2,146,892***	***69.0%***

Source: Bureau of the Census, 2000 and 2010 Census Summary File 1

Based on 2009-2013 ACS data, the overall age of the housing stock in the primary study area is similar to Brooklyn, with most housing units built before 1939 (see Table 3-15). Within the overall study area, the highest proportion of homes was built before 1939 (approximately 41 percent). Of the 24,427 units built during this time, the largest proportion—5,912 units- were located in Cypress Hills. The next highest share of housing units were built between 1940 and 1959 (15.5 percent). As shown in Table 3-15, the primary and secondary study areas contain a slightly higher percentage of housing units built since 2000 (approximately 13 and eight percent, respectively) as compared to the borough (six percent) and City as a whole (6.4 percent).

TABLE 3-15
Description of Housing Units by Year Built

	Built 1939 or Earlier		Built 1940 to 1959		Built 1960 to 1979		Built 1980 to 1999		Built 2000 and Later		Total Housing Units	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Primary Study Area	**5,133**	**49.0%**	**1,620**	**15.5%**	**1,323**	**12.6%**	**1,078**	**10.3%**	**1,324**	**12.6%**	**10,478**	**100.0%**
Ocean Hill Subarea	5,386	46.0%	1,372	11.7%	2,483	21.2%	995	8.5%	1,474	12.6%	11,710	100.0%
Brownsville Subarea	911	12.8%	2,634	37.0%	2,782	39.1%	467	6.6%	328	4.6%	7,122	100.0%
Broadway Junction/ENY IBZ Subarea	437	24.9%	481	27.5%	756	43.2%	16	0.9%	62	3.5%	1,752	100.0%
Cypress Hills Subarea	5,912	63.3%	2,121	22.7%	870	9.3%	257	2.8%	174	1.9%	9,334	100.0%
East New York Subarea	5,023	30.8%	3,219	19.7%	3,757	23.0%	2,808	17.2%	1,505	9.2%	16,312	100.0%
City Line Subarea	1,625	51.6%	930	29.5%	423	13.4%	76	2.4%	95	3.0%	3,149	100.0%
Total 1/2-Mile Secondary Study Area	**19,294**	**39.1%**	**10,757**	**21.8%**	**11,071**	**22.4%**	**4,619**	**9.4%**	**3,638**	**7.4%**	**49,379**	**100.0%**
Primary and Secondary Study Area Total	**24,427**	**40.8%**	**12,377**	**20.7%**	**12,394**	**20.7%**	**5,697**	**9.5%**	**4,962**	**8.3%**	**59,857**	**100.0%**
Brooklyn	**518,635**	**51.7%**	**208,611**	**20.8%**	**159,783**	**15.9%**	**55,023**	**5.5%**	**60,337**	**6.0%**	**1,002,389**	**100.0%**
New York City	**1,395,672**	**41.3%**	**834,621**	**24.7%**	**664,302**	**19.7%**	**270,717**	**8.0%**	**215,201**	**6.4%**	**3,380,513**	**100.0%**

Source: Bureau of the Census, ACS 2009-2013 5-year Estimates

Table 3-16 shows contract rent and housing value characteristics of the study areas, Brooklyn, and New York City. In 2009-2013, the median contract rent in the primary study area ($1,106) was comparable with Brooklyn ($1,062) and New York City as a whole ($1,149), whereas the median contract rent in the secondary study area ($818) and overall study area ($837) were considerably lower. Within the secondary study area, City Line had the highest median contract rent ($1,162), followed by Cypress Hills ($1,151). Broadway Junction/East New York IBZ had the lowest median contract rent in the study area ($346), followed by Brownsville ($465). As shown in Table 3-16, with the exception of the Broadway Junction/East New York IBZ subarea, the median contract rents increased from 2000 to 2009-2013 in all subareas of the secondary study area. The median contract rent of the primary study area, though lower than the median of New York City, increased at a greater rate than either the borough or the City from 2000 to 2009-2013, increasing by approximately 26 percent, as compared to 16 percent in Brooklyn and 21 percent in the City.

TABLE 3-16
Median Home Value and Contract Rent- 2000 and 2009-2013

	Median Contract Rent			Median Housing Value		
	2000	2009-2013	Percent Change	2000	2009-2013	Percent Change
Primary Study Area	**$876**	**$1,106**	**26.2%**	**$221,428**	**$449,228**	**102.9%**
Ocean Hill Subarea	$746	$975	30.7%	$243,031	$478,497	96.9%
Brownsville Subarea	$370	$465	25.8%	$202,739	$335,372	65.4%
Broadway Junction/ENY IBZ Subarea	$480	$346	-27.9%	$276,255	$307,717	11.4%
Cypress Hills Subarea	$994	$1,151	15.8%	$245,466	$431,821	75.9%
East New York Subarea	$724	$875	20.9%	$214,813	$420,415	95.7%
City Line Subarea	$985	$1,162	18.0%	$232,195	$453,196	95.2%
Total 1/2-Mile Secondary Study Area	**$717**	**$837**	**16.9%**	**$231,156**	**$436,960**	**89.0%**
Primary and Secondary Study Area Total	**$742**	**$881**	**18.7%**	**$229,393**	**$439,272**	**91.5%**
Brooklyn	***$913***	***$1,062***	***16.3%***	***$329,478***	***$564,468***	***71.3%***
New York City	***$950***	***$1,149***	***21.0%***	***$311,541***	***$590,220***	***89.5%***

Notes: Median contract rent and median housing value presented in 2015 dollars
Source: Bureau of the Census, 2000 Census, Summary File 3, ACS 2009-2013 5-year Estimates

As shown in Table 3-16, the primary study area and all of the subareas within the secondary study area had lower median housing values as compared to the borough and New York City in 2009-2013. The median housing value in the primary study area was $449,228, which was 20 percent lower than Brooklyn ($564,468) and 24 percent lower than New York City ($590,220), but comparable to the secondary study area ($436,960) and the overall study area ($439,772). The median housing value ranged by considerable margins in the secondary study area from $307,717 in Broadway Junction/East New York IBZ to $478,497 in Ocean Hill.

The median home value data reported in the Census are based on respondents' estimates of how much their properties would sell for if they were for sale, and the median contract rent reported by the Census includes data on rent-regulated and rent-controlled apartments. These data do not always accurately reflect true market rental rates and sales prices. To obtain a more accurate picture of current market rate home values and rental rates, additional information was gathered from local real estate sources, including interviews with real estate brokers specializing in the East New York and Cypress Hills residential markets. This research indicates that current housing prices are comparable to those reported in the Census. (See discussion below in *Current Residential Real Estate Market Conditions and Trends.)*

According to the U.S. Department of Housing and Urban Development (HUD), families and households that pay more than 30 percent of their respective incomes for housing are typically cost burdened. As shown in Table 3-17, only about 34 percent of households in the primary study area spent less than 30 percent of their household income on rent in 2009-2013, which is a considerably lower household percentage than in Brooklyn (44.9 percent) and New York City (46.6 percent). Furthermore, almost 40 percent of households within the primary study area spent 50 percent or more of their household income on rent, which is a higher household percentage than in Brooklyn (30.6 percent) and New York City (29.4 percent). Within the overall study area, approximately 38 percent of households spent less than 30 percent of their household income on rent, while approximately 37 percent of households spent 50 percent or more. Therefore, it is likely that many existing residents are not able to afford rents in the study area and are currently experiencing displacement pressures.

TABLE 3-17
Rent as Percentage of Household Income – 2009-2013

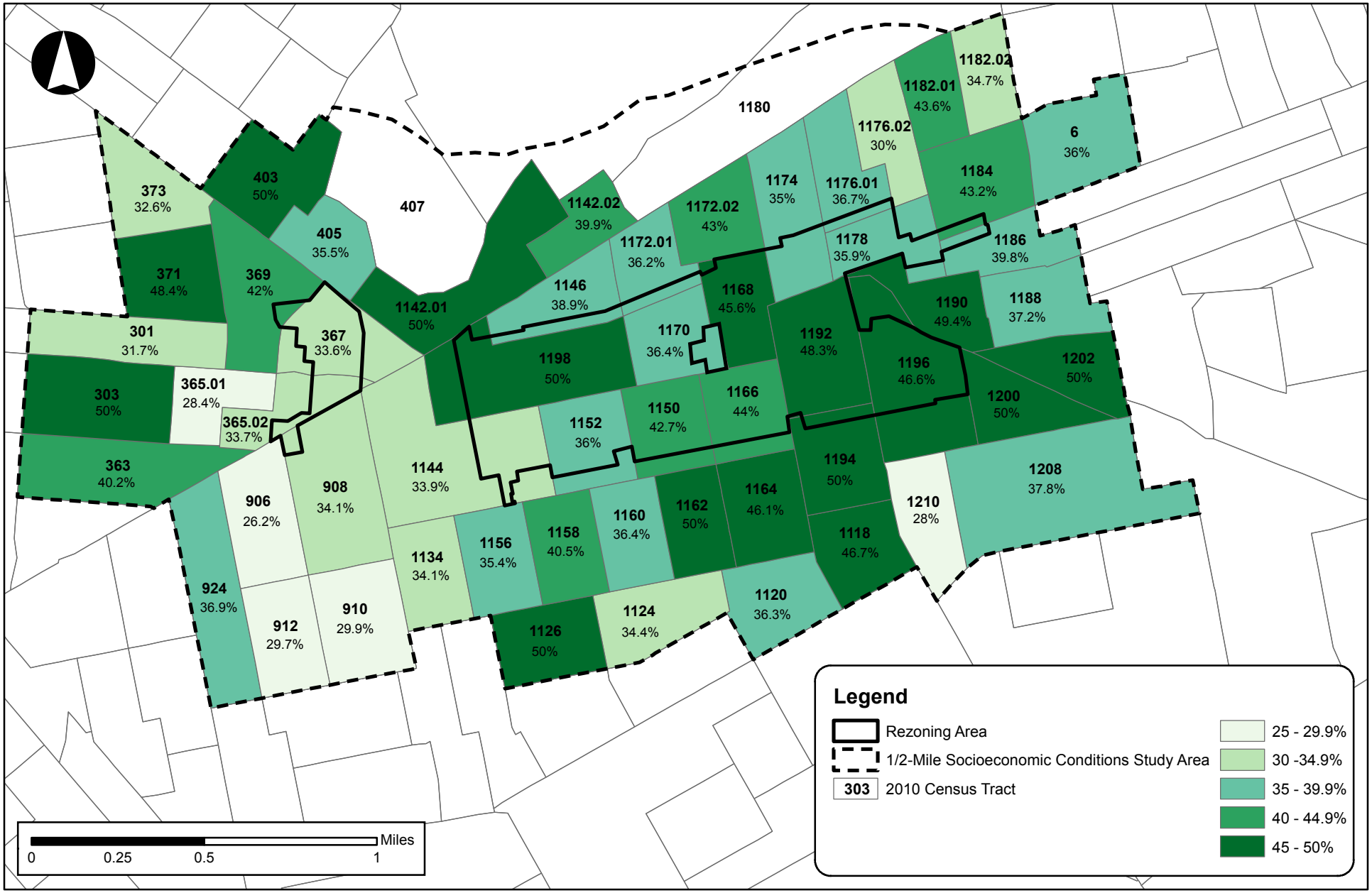
	Less than 30 Percent	30.0 to 39.9 Percent	40.0 to 49.9 Percent	50.0 Percent or More
	Percent of Households	Percent of Households	Percent of Households	Percent of Households
Primary Study Area	**33.8%**	**18.0%**	**8.5%**	**39.7%**
Ocean Hill Subarea	36.4%	13.9%	9.4%	40.2%
Brownsville Subarea	50.7%	13.0%	7.6%	28.7%
Broadway Junction/ENY IBZ Subarea	36.6%	21.5%	6.1%	35.8%
Cypress Hills Subarea	34.8%	16.3%	12.0%	36.9%
East New York Subarea	36.8%	14.6%	10.0%	38.6%
City Line Subarea	33.5%	11.4%	15.2%	40.0%
Total 1/2-Mile Secondary Study Area	**38.8%**	**14.5%**	**9.8%**	**36.9%**
Primary and Secondary Study Area Total	**37.9%**	**15.1%**	**9.6%**	**37.3%**
Brooklyn	***44.9%***	***15.7%***	***8.8%***	***30.6%***
New York City	***46.6%***	***15.4%***	***8.7%***	***29.4%***

Source: Bureau of the Census, ACS 2009-2013 5-year Estimates

Figure 3-7 shows the median gross rent as percentage of household income in each of the census tracts within both the primary and secondary study areas. Gross rent as a percentage of household income is a computed ratio of monthly gross rent to monthly household income (total income divided by 12). Gross rent as a percentage of household income provides information on the monthly housing cost expenses for renters and is used as a measure of housing affordability (often referred to as housing cost burden) by policy makers and as a determinant of eligibility for federal housing programs. A renter household is typically considered "burdened" if the household is required to spend 35 percent of more of its income on housing costs. As shown in Figure 3-7, the majority of census tracts within the overall study area contain households that are rent burdened spending 35 percent or more on housing costs.

Current Residential Real Estate Market Conditions and Trends

Brooklyn's housing market is in high demand. Since 2012, the New York City Department of Buildings (DOB) has issued the most housing permits in the borough of Brooklyn as compared to any other borough. In 2014, the DOB authorized the construction of 7,553 new dwelling units in Brooklyn, which represented approximately 35 percent



East New York Rezoning Proposal

Figure 3-7
Median Gross Rent as Percentage of Household Income

of all authorized units in the five boroughs.[4] These issued permits represented an approximately 23 percent increase in the number of authorized units from 2013, a slightly higher rate of increase as compared to the City as a whole (see Table 3-18). In addition, nearly 40 percent of all dwelling units issued a Certificate of Occupancy in the City in 2014 were located in Brooklyn.

In almost every Brooklyn submarket, 2014 brought higher prices as demand out-stripped supply. Market-wide the average price per square foot rose 15 percent year-over-year, more than double the percentage change experienced in Manhattan.[5] According to Douglas Elliman's first-quarter 2015 survey, Brooklyn home sales continue to climb with the median sale price for the borough at $610,894 – an approximately 17.5 percent increase from 2014. (The average price, $749,269, increased by ten percent.) In comparison, home sales in Manhattan have plateaued during the same time period. Given the limited inventory, available properties in Brooklyn are moving quickly and do not remain on the market for extended periods of time, sometimes even selling well above the asking price. Available properties in Brooklyn remain on the market an average of 112 days, which is a decrease of 14.5 percent from the previous year.

TABLE 3-18
New Residential Development

	Dwelling Units Authorized by New Residential Building Permits				Dwelling Units Issued New Certificates of Occupancy			
	2013	2014	2014 Percent of Total	2013-2014 Change	2013	2014	2014 Percent of Total	2013-2014 Change
Brooklyn CD3- Bedford Stuyvesant	482	763	3.6%	281	318	167	1.6%	151
Brooklyn CD4- Bushwick	274	216	1.0%	-58	249	166	1.6%	-83
Brooklyn CD5- East New York/ Starrett City	477	445	2.1%	-32	67	43	0.4%	-24
Brooklyn CD8- Crown Heights/ Prospect Heights	294	303	1.4%	9	59	390	3.9%	331
Brooklyn CD16- Brownsville	46	192	0.9%	146	64	114	1.1%	50
Brooklyn	***6,137***	***7,553***	***35.2%***	***1,416***	***3,394***	***3,943***	***39.0%***	***549***
New York City	***17,633***	***21,478***	***100%***	***3,845***	***11,489***	***10,113***	***100%***	***-1,376***

Source: NYU Furman Center, *State of New York City's Housing and Neighborhoods in 2014*

In 2014, Brooklyn was also identified as the least affordable housing market in the country, followed by San Francisco, California and Manhattan. According to RealtyTrac data, a Brooklyn resident would need to devote 98 percent of the median income to afford payment on a median price home of approximately $615,000.[6] Although Brooklyn has topped the number of housing permits issued by the City since 2012, the housing market in the borough continues to be constrained with limited supply as compared to increased demand. This is a result of increased popularity of the borough, prospective tenants that formerly would have sought properties in Manhattan are now seeking properties within the borough, increased development costs, and the practice of combining units to create larger apartments.

The primary and secondary study areas comprise a considerable portion of eastern Brooklyn, and include significant portions of the East New York, Brownsville, and Cypress Hills real estate markets. The surrounding area within the vicinity of the study area (i.e., within a ½-mile radius) includes the residential markets of Bedford Stuyvesant, Bushwick, and Crown Heights.

[4] Brooklyn building permits reach new peak, http://rew-online.com/2015/04/01/brooklyn-building-permits-reach-new-peak/

[5] The Corcoran Report, *Brooklyn 4th Quarter 2014.*

[6] To calculate affordability, RealtyTrac looked at the percentage of median monthly household income required to make a monthly house payment for a median-priced home in each month from January 2000 to October 2014. The median monthly household income was derived from U.S. Census data for 2000 to 2012, with 2013 and 2014 median household income estimated based on the 2000 to 2012 trend and adjusted for current market conditions. The median price of a home was based on the median sales price from sales deeds recorded each month for each county, except for in states with insufficient sales deed data and non-disclosure states where the full sales price is not required to be included on the sales deed.

The residential markets of Bedford Stuyvesant, Bushwick and Crown Heights have changed considerably in the last few years with average asking rents and home sales prices increasing substantially. This is largely due to the lack of inventory and escalating price point of housing in highly desirable areas such as Williamsburg and Greenport (refer to Tables 3-19 and 3-20). Prospective buyers and renters are increasingly expanding neighborhood searches. The average rental rates in Bushwick, Bedford Stuyvesant and Crown Heights are similar. Although the average rental rates for these three neighborhoods are lower than the overall borough, rental rates in these neighborhoods have increased considerably within the last five years, increasing by upwards of 41 to 57 percent. The median and average sale prices for homes in these neighborhoods have also increased substantially, and the median sales prices in Bedford Stuyvesant, Bushwick and Crown Heights exceeded the overall borough.

TABLE 3-19
Average Rental Rates for Surrounding Brooklyn Neighborhoods

	3rd Quarter 2010			1st Quarter 2015			Percent Change 2010-2015		
	Studio	**1-bedroom**	**2-bedroom**	**Studio**	**1-bedroom**	**2-bedroom**	**Studio**	**1-bedroom**	**2-bedroom**
Bushwick	$1,211	$1,713	$1,639	$1,900	$1,958	$2,320	56.9%	14.3%	41.5%
Bedford Stuyvesant	$1,017	$1,346	$1,507	$1,601	$1,947	$2,291	57.4%	44.6%	52.0%
Crown Heights	$1,083	$1,289	$1,578	$1,529	$1,788	$2,360	41.2%	38.7%	49.6%
Brooklyn	***$1,620***	***$2,073***	***$2,606***	***$2,116***	***$2,640***	***$3,417***	***30.6%***	***27.3%***	***31.1%***

Source: The Real Estate Group NY Brooklyn Rental Market Report (September 2010) and MNS Real Impact Real Estate's Brooklyn Rental Market Report (April 2015)

As shown in Table 3-20, the median and average sales prices of homes in Brownsville/Ocean Hill, Cypress Hills, and East New York/Spring Creek are lower than the overall borough, but have generally experienced greater increases as compared to the borough overall, especially within the last year. The median home sales prices in the neighborhoods of Brownsville/Ocean Hill, Cypress Hills, and East New York/Spring Creek were approximately five, 23, and 42 percent lower than the overall borough, respectively, and the average home sales prices were approximately 27, 44 and 51 percent lower in these neighborhoods, respectively, than the borough. Between the first quarters of 2014 and 2015, the median home sales price for Brownsville/Ocean Hill increased by nearly 63 percent, in Cypress Hills by approximately 55 percent, and in East New York/Spring Creek by approximately 17 percent as compared to the borough overall, which increased by approximately 14 percent. These increases are reflective of the considerable increases experienced in the nearby neighborhoods of Bedford Stuyvesant, Bushwick/Wyckoff Heights, and Crown Heights, which increased by approximately 22, 40, and 21 percent, respectively, during this timeframe, and upwards of approximately 99, 94, and 94 percent, respectively between 2011 and 2015. The average home sales price in the neighborhoods Brownsville/Ocean Hill, Cypress Hills, and East New York/Spring Creek also increased by approximately 35, 24 and 14 percent, respectively, as compared to the borough which increased by approximately 12 percent. These increases are also generally comparable to increases experienced in Bedford Stuyvesant, Bushwick/Wyckoff Heights, and Crown Heights, which increased by approximately 29, 36, and 10 percent, respectively between 2014 and 2015.

According to conversations with local residential real estate brokers for East New York, Brooklyn is "the place to be" and the East New York/Cypress Hills area is one of the most, if not the most, affordable housing markets in all of Brooklyn. Prospective tenants are varied and originate from all over, including from within and outside of Brooklyn, and the greater New York City area. The East New York/Cypress Hills market is viewed as one of the few remaining affordable markets in a relatively convenient location in the City with transit access, and the area is increasingly becoming a viable option.

TABLE 3-20
Brooklyn Home Sale Prices by Neighborhood in 2011, 2014, and 2015*

	1st Quarter – 2011		1st Quarter -2014		1st Quarter – 2015		Percent Change			
	Median Sale Price	Average Sale Price	Median Sale Price	Average Sale Price	Median Sale Price	Average Sale Price	Median Sales Price		Average Sales Price	
							2011-2015	2014-2015	2011-2015	2014-2015
Bedford Stuyvesant	$385	$418	$625	$657	$765	$851	98.7%	22.4%	103.6%	29.5%
Brownsville/ Ocean Hill	$370	$411	$350	$407	$569	$549	53.8%	62.6%	33.6%	34.9%
Bushwick/ Wyckoff Heights	$340	$366	$472	$496	$660	$675	94.1%	39.8%	84.4%	36.1%
Crown Heights	$450	$437	$594	$682	$720	$751	94.1%	21.2%	71.8%	10.1%
Cypress Hills	$255	$304	$299	$340	$462	$423	81.2%	54.5%	39.1%	24.4%
East New York/ Spring Creek	$270	$316	$299	$321	$349	$365	29.3%	16.7%	15.5%	13.7%
Brooklyn	***$469***	***$546***	***$525***	***$669***	***$600***	***$752***	***27.9%***	***14.3%***	***37.7%***	***12.4%***

Notes: *Includes all condos, cooperative units, and one- to three-family dwellings
Source: Real Estate Board of New York (REBNY), New York City Residential Sales, 1st Quarter 2015, 1st Quarter 2014, and 1st Quarter 2012

Local real estate brokers reported that single-family homes are currently selling for $240,000 to $260,000, but some can sell for as much as $450,000; two-family homes for approximately $600,000; and three-family homes for upwards of $700,000. New constructions of multifamily homes (consisting primarily of two-and three-family residences) are an increasing part of the East New York housing market and are priced in the higher end of the market. In addition, single-family and multifamily rehab purchases are common and make up a significant portion of the market, indicating that the area is becoming more desirable and experiencing some spillover demand from adjacent neighborhoods. House "flipping" accounted for nearly ten percent of the sales activity in East New York and Cypress Hills in 2012 and 2013.[7]

Local real estate brokers also indicated that the residential market in East New York had been relatively stable until about 2012-2013, when home sales prices started to steadily rise. For example, two-family homes are currently selling for about $600,000, whereas in 2012-2013, similar properties would have only sold for up to $450,000. This coincided with increased interest from both buyers and renters seeking housing in the area.

Average rental rates are also steadily increasing in the overall study area. According to conversations with local brokers, currently one-bedrooms rent for about $1,100 per month, two-bedrooms up to $1,400 (with most at $1,250) and three-bedrooms about $1,700 in East New York. Assuming that the average renter spends approximately 30 percent of his or her income on rent, renters of a one-bedroom apartment would be projected to earn approximately $44,000 and renters of a two-bedroom upwards of $56,000.[8] These household income figures are considerably higher than median household income levels of the primary and secondary study areas (refer to Table 3-10) and therefore, the current average asking rents are not affordable to many of the current residents in the primary and secondary study area or affordable to low-income households. It is likely that either households are housing cost burdened or the potential renters of these units would have higher incomes than many of the households in the primary study area, and that higher income households are moving into the area.

Table 3-21 provides monthly asking rental rates in the overall study area, based on listings of properties within the study area gathered from several real estate sources, such as The New York Times, Trulia.com, Streeteasy.com, and Zillow.com. in comparison with information provided by local brokers on typical rental rates, the average asking monthly rental rate for current apartment listings in the study area are higher and ranges from $1,293 for a studio to $1,750 for a two-bedroom unit.

[7] Rice, Andrew, "The Red Hot Rubble of east New York," *New York Magazine,* January 28, 2015
[8] Assumption based on U.S. Department of Housing and Urban Development (HUD) definition of affordable housing. According to HUD, families who pay more than 30 percent of their income for housing are cost burdened.

TABLE 3-21
Current Average Asking Monthly Rental Rates in the Study Area from Real Estate Listings

	Studio	One-Bedroom	Two- Bedroom
Average Asking Monthly Rent	$1,293	$1,465	$1,750

Notes: Includes both primary and secondary study areas
Source: Trulia.com, *The New York Times,* Zillow.com, Streeteasy.com (March 2015)

It should be noted that Eastern Brooklyn, which includes both the primary and secondary study areas, has some of the City's highest rates of foreclosure (see Table 3-22). Based on data obtained from RealtyTrac, the four zip codes that comprise the secondary study area accounted for approximately 28 percent of the pre-foreclosure properties within the larger borough. According to RealtyTrac, zip codes 11207 and 11208, which encompass the East New York/Cypress Hills area of the primary study area, also have some of the highest foreclosure rates in the entire borough (see Table 3-22). Only zip code 11236, which is located to the southwest and includes Canarsie, has a higher rate of foreclosure (one in 750 housing units). All four of the zip codes (11207, 11208, 11212, and 11233) within the study area have higher foreclosure rates than the borough as a whole.

TABLE 3-22
Pre-Foreclosure Properties and Foreclosure Filing Rates for Brooklyn and Secondary Study Area, 2015

	Pre-Foreclosure Properties	Foreclosure Filing Rates
Brooklyn	10,657	I in every 2,731 housing units
11207	916	I in every 1,035 housing units
11208	944	I in every 1,064 housing units
11212	607	I in every 1,363 housing units
11233	497	I in every 1,575 housing units

Notes: Pre-foreclosure includes properties in default, up for auction, and banked-owned
Source: RealtyTrac, April 2015

Estimate of Non-Rent Regulated Housing and Low-Income Renters

The objective of a detailed analysis of indirect residential displacement is to identify existing populations that may be subject to potential displacement in the future, both with and without the Proposed Actions. According to the *CEQR Technical Manual*, at risk populations are defined as people living in privately held units that are not protected by rent regulations, who, based on income or poverty status, may not be able to afford substantial rent increases. This section describes existing conditions in both the primary and secondary study areas in terms of the status (rent-regulated or non-regulated) of housing stock. The following section identifies where in the study area there may be low- income renters, and if it is likely that such population lives in unprotected housing in the study area.

Rental rates in New York City are controlled through several mechanisms. These include rent regulation (either rent control or rent stabilization), direct public subsidies to landlords, and public ownership. In New York City, the rent control program applies to apartments in residential buildings that contain three or more units and were constructed before February 1947. Only apartments in which the tenant has lived continuously since before July 1, 1971 may fall under rent control. When a rent controlled apartment becomes vacant, it either becomes rent stabilized or, if it is in a building with fewer than six units, it is removed from regulation. Rent stabilization limits the annual rate at which property owners may increase rents. In New York City, rent stabilization generally applies to apartments in buildings containing six or more units that were built between February 1, 1947 and January 1, 1974. An apartment is no longer protected by rent stabilization if it becomes vacant and could be offered at a legal regulated rent of $2500 or

more, or if the legal rent is $2,500 and the apartment is occupied by tenants whose total annual household income exceeded $200,000 for each of the past two years.[9]

Other types of rent regulated housing include Section 8 housing, Section 202 housing, public housing, Mitchell-Lama developments, and other New York City Department of Housing Preservation and Development (HPD) owned housing. The study areas include a considerable inventory of NYCHA developments, HPD owned housing and other affordable rent regulated housing units, including Section 202, Section 8, and rent stabilized apartments (see Figure 3-8). As shown in Table 3-23, there are 110 NYCHA housing units, six HPD housing units, and 1,742 affordable housing units in the primary study area. Within the secondary study area there are an additional 11,267 NYCHA housing units, 130 HPD housing units, and 1,681 affordable housing units (Table 3-23).

TABLE 3-23
Rent Regulated Housing Units in the Primary and Secondary Study Areas

	NYCHA	HPD	Affordable Units
Primary Study Area	**110**	**6**	**1,742**
Ocean Hill Subarea	1,129	5	356
Brownsville Subarea	6,555	107	10
Broadway Junction/ENY IBZ Subarea	1,081	6	121
Cypress Hills Subarea	0	0	2
East New York Subarea	2,502	12	1,192
City Line Subarea	0	0	0
Total 1/2-Mile Secondary Study Area	**11,267**	**130**	**1,681**
Primary and Secondary Study Area Total	**11,377**	**136**	**3,423**

Source: 2014 PLUTO Data

PRIMARY STUDY AREA

In accordance with the *CEQR Technical Manual*, the number of unregulated units in the primary study area was estimated based on census data and data obtained from 2014 PLUTO data. Table 3-24 shows the estimated count of unregulated units in the primary study area. As shown in the table, the estimate was based on the number of units in the primary study area that met the following criteria and was therefore assumed to be unprotected from rent increases:

- The units are in buildings that are privately owned (i.e., not public housing units or HPD-owned housing);
- The units are in buildings not old enough to be subject to rent control or rent stabilization (i.e., built in 1974 or later); and/or
- The units are in buildings too small to be subject to rent control or rent stabilization (i.e., have five units or fewer), nor are the units protected housing units, such as Section 202 and Section 8.

As rent regulations typically cover buildings with six or more units and since much of the housing stock in the study area consists of two-and three-family, and smaller apartment building with five or fewer units, many of the rental buildings in the study area are unprotected. Table 3-24 shows the distribution of unprotected units across the primary study area's 13 census tracts. As shown in Table 3-24, the primary study area contains approximately 7,908 renter-occupied units, of which approximately 5,172 are currently unprotected from rent increases (see Table 3-24). This number of unprotected units represents approximately 65 percent of the total renter-occupied units and 43 percent of all residential units in the study area. In comparison, according to the 2014 New York City Housing and Vacancy Survey, approximately 48.4 percent of renter-occupied units in New York City were rent protected in 2013. The June 2014 Furman Center's *Profile of Rent-Stabilized Units and Tenants in New York City* indicated that approximately 44 percent of the renter-occupied units in Brooklyn were rent-stabilized/controlled.

[9] Rent regulations obtained from the New York State Division of Housing and Community Renewal, Office of Rent Administration and the New York City Rent Guidelines Board. $2,500 figure expected to increase to $2,700 as of January 1, 2016.

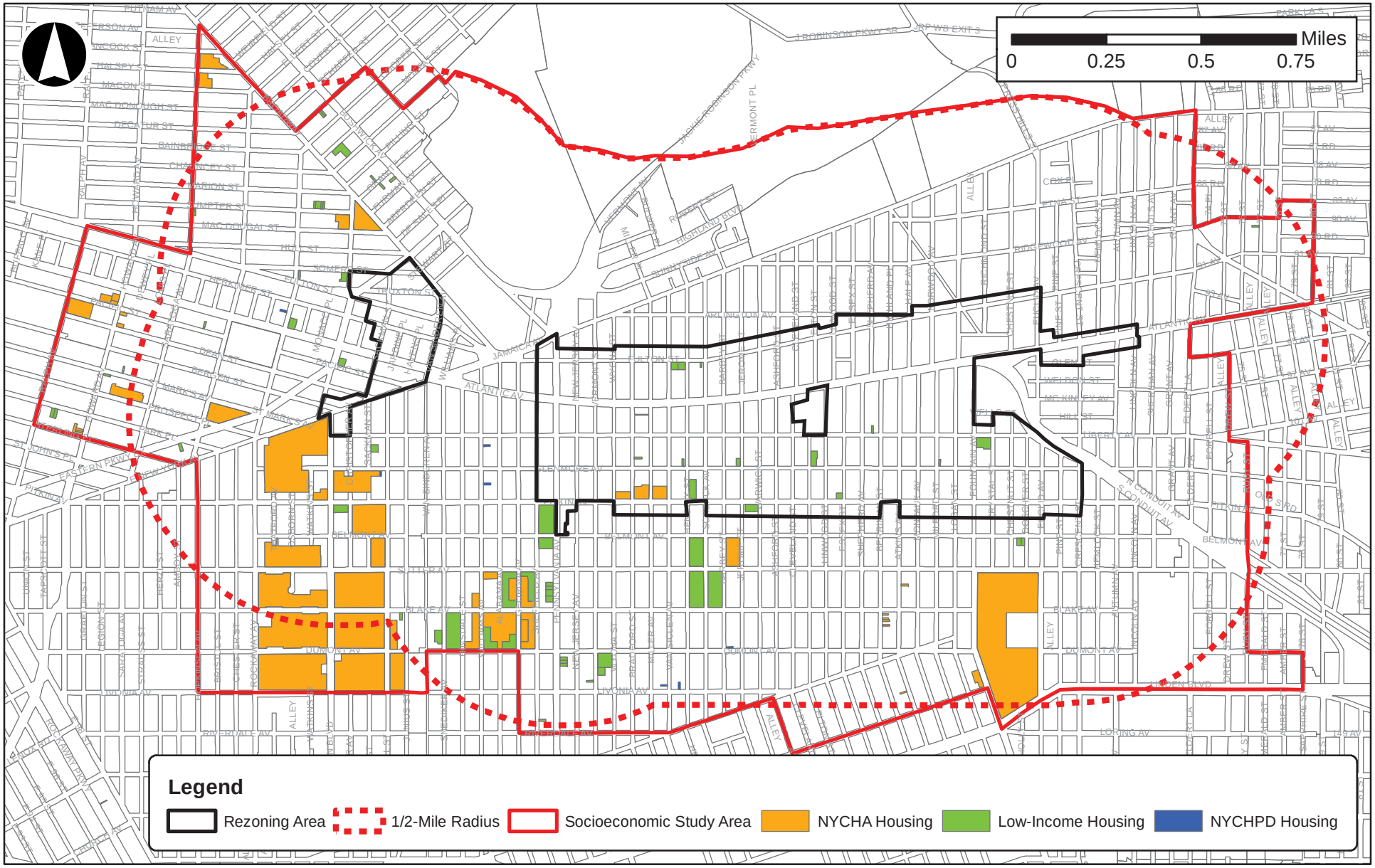


Figure 3-8
Rent Protected Housing in the Study Area

TABLE 3-24
Estimated Unprotected Rental Housing Units in the Primary Study Area by Census Tract

Census Tract	Total Renter-Occupied Units	Total Unprotected Units	Percent of Total Unprotected Units	Unprotected Units as a Percentage of Total Renter Units
365.02	315	196	3.8%	2.5%
367	323	198	3.8%	2.5%
1144	600	238	4.6%	3.0%
1150	566	439	8.5%	5.6%
1152	694	388	7.5%	4.9%
1166	621	450	8.7%	5.7%
1168	459	350	6.8%	4.4%
1170	406	287	5.5%	3.6%
1174	819	638	12.3%	8.1%
1178	336	251	4.9%	3.2%
1192	690	447	8.6%	5.7%
1196	1,276	752	14.5%	9.5%
1198	803	538	10.4%	6.8%
Primary Study Area Total	***7,908***	***5,172***	***100.0%***	***65.4%***

Source: 2014 PLUTO, U.S. Department of Commerce, Bureau of Census, 2010

As shown in Table 3-24, tract 1196 has the highest number of unprotected units in the primary study area (752 units). These units represent approximately 58 percent of the total renter-occupied units in the tract and about 14.5 percent of all unprotected units in the primary study area. With the exception of census tract 1144, the unprotected units in each tract represent 50 percent or more of total rental units in that tract. Census tracts in which unprotected units represent 75 percent or more of all renter-occupied units include: 1150, 1168, 1174; and 1178.

Populations who are the subject of the indirect residential displacement analysis are defined as people living in privately held units that are not protected by rent regulations, whose income or poverty status indicates that they could not afford to pay substantial rent increases and who live in locations that could be affected by market changes caused by the Proposed Actions. In order to identify the subject population in the primary study area, the population of low-income renters in the primary study area was estimated and then adjusted according to the estimated proportion of rental units that were unprotected. The following steps were used to identify this population, and the calculations are shown in Table 3-25.

1. Estimate the low-income population in renter-occupied housing units in the study area.

The low-income population in renter-occupied housing units for the study area was estimated using PUMS data, which is available for specific geographies called Public Use Microdata Areas (PUMAs). PUMS data on household income for renter-occupied housing units by household size were collected for the PUMA that most closely approximated the ½-mile secondary study area.[10] The PUMS data were used to calculate the total number of low-income renters in the PUMA. The share of low-income renter households in the PUMA was then calculated (76.2

[10] PUMS data for PUMAs 4007 and 4008 were used for this analysis. PUMA 4007 approximates Brooklyn CD 16, which includes the neighborhoods of Brownsville and Ocean Hill and PUMA 4008 approximates Brooklyn CD 5, which encompasses East New York and Starrett City, though the areas are not coterminous. PUMA 4007 is roughly bounded by Broadway/Fulton Street/Liberty Avenue to the north, Ralph /East 96th/East 98th Streets to the west, Linden Boulevard/Hegeman Avenue to the south, and Wyona Street/Miller Avenue/Bradford Avenue/Ashford Street to the east. PUMA 4008 is located directly to the east of PUMA 4008 and is generally bounded by Highland Park to the north, Eldert Lane/75th Street/Ruby Street to the east and Jamaica Bay to the south.

percent).[11] This proportion was applied to the total renter population in the primary study area to estimate the low-income renter population in the study area (19,319 residents).

2. Estimate the low-income population living in unprotected rental units in the primary study area.

The low-income population living in unprotected rental units was estimated by multiplying the proportion of rental units in the primary study area that are unprotected (65.4 percent) by the low-income renter population calculated above (19,319).

As shown in Table 3-25, based on this methodology there are an estimated 12,635 low-income residents living in unprotected units in the primary study area.

TABLE 3-25
Estimated Unprotected Rent Burdened Population in the Primary Study Area

Row	Population Identified	Components	Total for Study Area	Notes
1	Low-income population in renter-occupied housing units	Total population in renter-occupied housing units in the primary study area	25,353	2010 Census
2		Proportion of low-income renter population in PUMA	76.2%[1]	PUMA 4007 and 4008
3		Primary study area low-income renters	19,319	(Row 1) x (Row 2)
4	Low-income population in unprotected rental units	Total unprotected units in the study area	5,172	From Table 3-24 above
5		Total rental units in the study area	7,908	2010 Census
6		Proportion of rental units in the primary study area that are unprotected	65.4%	(Row 4) / (Row 5)
7		Low-income population living in unprotected rental units in the study area	12,635	(Row 3) x (Row 6)
8	Low-income population in unprotected rental units as a percentage of total population	Total population	35,384	2010 Census
9		Proportion of total population who are low-income renters living in unprotected rental units	35.7%	(Row 7) / (Row 8)

Notes:
[1] The PUMA data gives household income in the past 12 months (in 2013 inflation-adjusted dollars) for renter-occupied housing units.
Source: 2014 PLUTO database; U.S. Department of Commerce, Bureau of the Census, 2010 Census, NYCHA, March 2015

½-MILE SECONDARY STUDY AREA

The number of unregulated housing units and low-income rental population living in the unregulated units were also estimated for the secondary study area, based on the above methodology and specified criteria.

As shown in Table 3-26, the secondary study area contains approximately 38,874 renter-occupied units, of which approximately 16,616 are currently unprotected from rent increases. This number of unprotected units represents approximately 43 percent of the total renter-occupied units and about 33 percent of all residential units in the secondary study area.

[11] Low-income households are defined as those that meet the HUD-defined low income limits (80 percent), by household size, for Brooklyn for FY2013.

TABLE 3-26
Estimated Unprotected Rental Housing Units in the ½-Mile Secondary Study Area

Census Tract	Total Renter-Occupied Units	Total Unprotected Units	Percent of Total Unprotected Units	Unprotected Units as a Percentage of Total Renter Units
301	728	538	3.2%	1.4%
303	1,342	596	3.6%	1.5%
363	1,259	668	4.0%	1.7%
365	994	297	1.8%	0.8%
369	1,451	768	4.6%	2.0%
371	1,011	686	4.1%	1.8%
373	1,183	535	3.2%	1.4%
403	907	595	3.6%	1.5%
405	420	225	1.4%	0.6%
Ocean Hill	***9,295***	***4,908***	***29.5%***	***12.6%***
906	1,525	138	0.8%	0.4%
910	2,217	39	0.2%	0.1%
912	2,300	0	0.0%	0.0%
924	641	208	1.3%	0.5%
Brownsville	***6,683***	***385***	***2.3%***	***1.0%***
908	1,242	108	0.6%	0.3%
1142.01	267	150	0.9%	0.4%
Broadway Junction/ ENY IBZ	***1,509***	***258***	***1.6%***	***0.7%***
1142.02	621	219	1.3%	0.6%
1146	601	372	2.2%	1.0%
1172.01	495	320	1.9%	0.8%
1172.02	795	472	2.8%	1.2%
1176.01	600	353	2.1%	0.9%
1176.02	684	360	2.2%	0.9%
1182.01	566	393	2.4%	1.0%
1182.02	628	403	2.4%	1.0%
1184	1,049	785	4.7%	2.0%
6 (Queens)	568	407	2.4%	1.0%
Cypress Hills	***6,607***	***4,084***	***24.6%***	***10.5%***
1118	722	550	3.3%	1.4%
1120	783	485	2.9%	1.2%
1124	760	565	3.4%	1.5%
1126	1,029	505	3.0%	1.3%
1134	702	56	0.3%	0.1%
1156	1,378	295	1.8%	0.8%
1158	625	353	2.1%	0.9%
1160	521	215	1.3%	0.6%
1162	359	192	1.2%	0.5%
1164	470	262	1.6%	0.7%
1194	919	631	3.8%	1.6%
1200	412	295	1.8%	0.8%
1208	2,482	1,053	6.3%	2.7%
1210	1,428	0	0.0%	0.0%
East New York	***12,590***	***5,457***	***32.8%***	***14.0%***
1186	497	382	2.3%	1.0%
1188	924	620	3.7%	1.6%
1190	453	288	1.7%	0.7%
1202	316	234	1.4%	0.6%
City Line	***2,190***	***1,524***	***9.2%***	***3.9%***
Total Secondary Study Area	***38,874***	***16,616***	100.0%	42.7%

Source: 2014 PLUTO, U.S. Department of Commerce, Bureau of Census, 2010

According to this methodology, the subareas that contain the highest percentage of renter-occupied units that are unprotected are East New York (33 percent), Cypress Hills (25 percent) and Ocean Hill (30 percent). This is largely due to the type of housing that characterizes these areas, which consists of mostly two- to three-family homes. The Broadway Junction/East New York IBZ and Brownsville subareas have the lowest percentage of renter-occupied units that are unprotected (approximately two percent in each subarea), primarily due to the large concentration of public housing within these areas.

Similar to the primary study area, approximating the low-income population in renter-occupied housing units for the secondary study area followed the methodologies described above, and was estimated using PUMS data that most closely approximated the secondary study area,[12] adjusted to exclude low-income renters living in large buildings known to contain protected housing units. As shown in Table 3-27, this proportion of 76.2 percent was applied to the total renter population in the secondary study area to estimate the low-income renter population in the study area (85,787 residents).

TABLE 3-27
Estimated Unprotected Rent Burdened Population in the ½-Mile Secondary Study Area

Row	Population Identified	Components	Total for Study Area	Notes
1	Low-income population in renter-occupied housing units	Total population in renter-occupied housing units in study area	112,581	2010 Census
2		Proportion of low-income renter population in PUMA	76.2%[1]	PUMA 4007 and 4008
3		Study Area low-income renters	85,787	(Row 1) x (Row 2)
4	Low-income population in unprotected rental units	Total unprotected units in the study area	16,616	From Table 3-26 above
5		Total rental units in the study area	38,874	2010 Census
6		Proportion of rental units in the study area that are unprotected	42.7%	(Row 4) / (Row 5)
7		Low-income population living in unprotected rental units in the study area	36,631	(Row 3) x (Row 6)
8	Low-income population in unprotected rental units as a percentage of total population	Total population	152,541	2010 Census
9		Proportion of total population who are low-income renters living in unprotected rental units	23.8%	(Row 7) / (Row 8)

Notes:
[1] The PUMA data gives household income in the past 12 months (in 2013 inflation-adjusted dollars) for renter-occupied housing units. The total number of low-income renters in the PUMA was therefore adjusted to exclude low-income renters living in these protected units, based on data obtained from NYCHA and from HUD's Low-Income Housing Tax Credits (LIHTC) on-line database.
Source: 2014 PLUTO database; U.S. Department of Commerce, Bureau of the Census, 2010 Census, NYCHA, March 2015.

Then, the low-income population living in unprotected rental units was estimated by multiplying the proportion of rental units in the secondary study area that are unprotected (42.7 percent) by the low-income renter population calculated above (85,787).

As shown in Table 3-27, based on this methodology there are an estimated 36,631 low-income residents living in unprotected units in the secondary study area.

As stated in the *CEQR Technical Manual*, if the analysis described above indicates a low-income population in unregulated rental housing, additional analysis may be necessary to determine whether conditions in the study area, and consequently, the size of this population, have changed since the date of the data used in the analysis. The quantified analysis provided above is supplemented with a discussion of recent trends to determine whether a higher-income population has been introduced in areas with a low-income population living in unprotected rental

[12] PUMS data for PUMAs 4007 and 4008 were used for this analysis.

units. If so, it is possible that unprotected units potentially containing a low-income population have been turned over to higher-income households. The following characterizes demographics and residential market conditions for the primary study area and each of the subareas in the secondary study area, and provides further characterization of the low-income populations living in unprotected rental units within each area.

Primary Study Area

The primary study area is generally conterminous with the rezoning area and includes 13 census tracts (365.02, 367, 1144, 1150, 1152, 1166, 1168, 1170, 1174, 1178, 1192, 1196, and 1198). It is roughly bounded by Eastern Parkway Extension to the west, Broadway/Fulton Street to the north, North Conduit Avenue/Crescent Street to the east, and Belmont Avenue/ East New York Avenue to the south. The primary study area is predominantly residential with mostly one- to two-family homes and low-rise residential buildings.

As described above, the population increased in the primary study area by approximately 11 percent from 2000-2010, a higher rate of increase as compared to the secondary study area, as well as to Brooklyn and City as a whole. As of the 2010 Census, the primary study area had almost 12,000 housing units, with 75 percent of those being renter-occupied units (7,908). The majority of the housing stock in the primary study area consists of single-family and two- to three-family homes (59 percent), and most of the homes are relatively older, nearly 50 percent of the area's housing stock built prior to 1939 (5,133 units). According to 2014 PLUTO data, 1,533 housing units (approximately 13 percent of the total units) were constructed between 2000 and 2014, which indicates an increase in housing demand in the area.

As described above, study area income levels are generally low and poverty rates are high relative to Brooklyn and New York City as a whole. The median household income in the primary study area is $34,689 – nearly 25 percent lower than the median household income in Brooklyn. Census tract 365.02 within the primary study area has the highest median income ($50,588), which was higher than the median for Brooklyn, but lower than New York City, while census tract 1152 has the lowest ($25,058). Slightly more than 35 percent of people in the primary study area are below the poverty level – approximately 12 percentage points higher than the borough-wide rate – with census tract 367 having the least amount of people living below the poverty level (15.1 percent). Within the primary study area, only 34 percent of households spend less than 30 percent of their household income on rent, which is considerably lower than in Brooklyn (44.9 percent), while nearly 40 percent of households spend 50 percent or more of their household income on rent, which is ten percentage points higher than in Brooklyn (30.6 percent).

The average asking rents for apartments, approximately $1,100 for a one-bedroom and upwards of $1,400 for a two-bedroom, in East New York/Cypress Hills are not affordable to many current residents in the primary study area. Given recent trends in the average asking rents in the study area, it is likely that the average incomes for renters in unregulated units would in general be higher than the average income for renters in regulated units. It can also be inferred from these data that higher-income households are moving into the study area.

The primary study area includes a large inventory of income-reduced supportive and rent-regulated housing where tenants are protected from steep and rapid rent increases that could otherwise result in changes to market conditions. This protected affordable housing targets low and moderate income renters. There are 110 protected NYCHA public housing units and 1,748 protected affordable units for a total of 1,858 protected housing units in the primary study area (approximately 15.5 percent of the total housing units). There are an estimated 5,172 unprotected housing units in the primary study area containing approximately 14,412 residents (approximately 40.7 percent of the total population).

Secondary Study Area

The secondary study area is comprised of six subareas: Ocean Hill, Brownsville, Broadway Junction/East New York IBZ, Cypress Hills, East New York, and City Line. Each of these subareas are discussed individually below. The characteristics of the primary study area, in terms of income and poverty, are more favorable than the secondary study area. According to ACS 2009-2013 data, the median household income for the primary study area is $2,806

higher than the median for the secondary study area. The average household income in the primary study area is also $4,218 higher.

OCEAN HILL SUBAREA

The Ocean Hill subarea is located in the western portion of the secondary study area and includes nine census tracts (tracts 301, 303, 363, 365.01, 369, 371, 373, 403, and 405). It is roughly bounded by Ralph Avenue/Saratoga Avenue to the west, Broadway/Evergreen Cemetery to the north, Eastern Parkway Extension/East New York Avenue to the east, and Sterling Place to the south. Predominant land uses in the Ocean Hill subarea include one- to two-family houses, low-rise residential buildings, and public institutions.

As of the 2010 Census, the Ocean Hill study area had a total of 13,086 housing units, with 80 percent of those being renter-occupied units (9,295). Most of the homes are relatively older with close to 60 percent of the total housing units built prior to 1959 (6,758 units) and approximately 45 percent of the housing stock consists of single-, two-, and three-family homes. According to PLUTO data, more than 2,000 housing units (approximately 14 percent of the total units) were constructed between 2000 and 2014.

The median household income in the Ocean Hill subarea is $35,109 – 25 percent lower than the median household income in Brooklyn. There is considerable variation in median household income levels in the subarea, ranging from a high of $50,250 in tract 405 to a low of $23,911 in tract 303. Approximately 32 percent of people in the Ocean Hill subarea are below the poverty level – nearly nine percentage points higher than the borough-wide rate- with census tract 303 having the most amount of people living below the poverty level (approximately 55 percent). Within the Ocean Hill subarea, approximately 36 percent of households spent less than 30 percent of their household income on rent, which is lower percentage than in Brooklyn (44.9 percent), while slightly more than 40 percent of households spend 50 percent or more of their household income on rent, which is a higher percentage than in Brooklyn (30.6 percent).

There are over 1,100 protected NYCHA public housing units and 353 protected affordable housing units in this subarea. In addition, Atlantic Plaza Towers, a Mitchell-Lama development, contains 762 protected rental housing units. In total, there are 2,215 protected housing units in the subarea which represents 17 percent of the total housing units. There are an estimated 4,908 unprotected housing units in this subarea containing approximately 9,790 residents (approximately 31 percent of the total population).

BROWNSVILLE SUBAREA

The Brownsville subarea is located in the southwestern section of the secondary study area and includes census tracts 906, 910, 912, and 924. It is roughly bounded by Hopkinson Avenue to the west, East New York Avenue to the north, Mother Gaston Boulevard/Van Sinderen Avenue to the east, and Livonia Avenue to the south. The Brownsville subarea is characterized by large multifamily residential uses.

Since 2000, the Brownsville subarea has experienced very little population increase compared to both the primary and secondary study areas. As of the 2010 Census, the Brownsville subarea had a total of 7,094 housing units, with more than 96 percent of those being renter-occupied (6,683) – the largest percentage in the secondary study area. This is largely attributed to the cluster of public housing located within the subarea (refer to Table 3-23). According to PLUTO data, only 542 housing units (nearly seven percent of the total housing units) were constructed between 2000 and 2014.

The median household income in this subarea is $18,464 – 60 percent lower than the median household income in Brooklyn and the lowest in the secondary study area. Three of the four census tracts within this subarea have median household incomes of less than $20,000. Census tract 910 had the lowest median household income within the subarea and overall study area ($10,674). Approximately 51 percent of the people living in the Brownsville subarea are below the poverty level - 23.3 percentage points higher than the borough-wide rate - with census tract 910 having the highest percentage within the subarea and overall study area (68.1 percent). Within the Brownsville subarea, approximately 51 percent of households spent less than 30 percent of their household income on rent,

which is a higher percentage than Brooklyn (44.9 percent), while about 29 percent of households spend 50 percent or more of their household income on rent, which is lower percentage than Brooklyn (30.6 percent).

There are over 6,500 protected NYCHA public housing units within this subarea, which represents 91 percent of the total housing units – the largest in the overall secondary study area. In addition, Marcus Garvey Village, a Mitchell-Lama development located in the Brownsville subarea, contains 109 protected rental housing units. Overall, there are over 6,600 protected housing units within the subarea, which represents 93 percent of the total housing units. There are an estimated 385 unprotected housing units in this subarea containing approximately 830 residents (approximately four percent of the total population).

BROADWAY JUNCTION/EAST NEW YORK IBZ SUBAREA

The Broadway Junction/East New York IBZ subarea is located in the western portion of the secondary study area and includes two noncontiguous census tracts (tracts 908 and 1142.01). Census tract 908 is roughly bounded by Mother Gaston Boulevard to the west, East New York Avenue to the north, Van Sinderen Avenue to the east, and Sutter Avenue to the south, and census tract 1142.01 is roughly bounded by Broadway to the southwest, Jamaica Avenue to the southeast, and Evergreen Cemetery/Highland Park to the north. This subarea is characterized by mostly non-residential land uses, including transportation and utility uses, with some one- to two-family residential uses.

As of the 2010 Census, the Broadway Junction/East New York IBZ subarea had a total of 1,872 housing units, with approximately 86 percent of those being renter-occupied units (1,509). Approximately 71 of the total housing units were built between 1940 and 1979 (1,237). According to PLUTO data, very few housing units (60 units or approximately two percent) have been constructed since 2000 within this subarea.

The median household income in Broadway Junction/East New York IBZ subarea area is $20,774 – one of the lowest in the secondary study area and nearly 60 percent lower than the median household income in Brooklyn. Census tract 908 has the lowest median household income within the subarea ($12,008). Approximately 39 percent of the people living in the Broadway Junction/East New York IBZ subarea are below the poverty level – nearly 16 percentage points higher than the borough wide rate - with census tract 1142.01 having the lowest percentage within the secondary study area (7.4 percent). Within this subarea, approximately 37 percent of households spend less than 30 percent of their household income on rent, which is a lower percentage of households than in Brooklyn (44.9 percent), while approximately 36 percent of households spend 50 percent or more of their household income on rent, which is a higher percentage of households than in Brooklyn (30.6 percent).

There are over 1,100 protected NYCHA public housing units within this subarea and 110 other protected affordable units, which represent the majority of the housing units in the subarea (65 percent). There are an estimated 258 unprotected housing units in this subarea containing approximately 500 residents (approximately nine percent of the total population).

CYPRESS HILLS SUBAREA

The Cypress Hills subarea comprises the northeastern portion of the secondary study area and is roughly bounded by Highland Park/Jamaica Avenue to the northwest, Eldert Lane/Ridgewood Avenue/84th Street to the east, and Atlantic Avenue/Fulton Street to the south. The subarea encompasses ten census tracts (Queen's tract 6; Brooklyn tracts 1142.02, 1146, 1172.01, 1172.02, 1176.01, 1176.02, 1182.01, 1182.02, and 1184) and is predominately residential with mostly older low- to mid-rise residential buildings.

As of the 2010 Census, the Cypress Hills subarea had a total of 10,763 housing units, comprising just less than 20 percent of the housing stock within the secondary study area. Between 2000 and 2010, census tract 1172.02 experienced a 1.7 percent decline in housing units, atypical in both the primary and secondary study areas where most tracts gained housing units during this time. Renters occupy 67.5 percent of all housing units in the Cypress Hills subarea, the lowest in the secondary study area, while owner-occupied housing units make up 32.5 percent of the housing units in the subarea, the largest in the secondary study area. It is estimated that approximately 86 percent of housing units in Cypress Hills were built earlier than 1959, the largest percentage in the secondary study area. Additionally, approximately 63 percent of housing units were built before 1939, also the highest percentage in

the secondary study area. According to PLUTO data, only about two percent of housing units (230 units) were constructed since 2000.

The median household income in the Cypress Hills subarea is $41,650, the highest median household income in the secondary study area, however, nearly 11 percent lower than the median household income in Brooklyn. Census tract 1184 has the highest median household income in the subarea and within the larger secondary study area at $59,000, which is nearly 21 percent above the median household income in Brooklyn. Slightly more than 26 percent of the people living in the Cypress Hills subarea are below the poverty level, the lowest in the study area, however, still three percentage points higher than the borough-wide rate. Within the Cypress Hills subarea, almost 35 percent of households spend less than 30 percent of their household income on rent, which is a lower percentage than in Brooklyn (44.9 percent), while almost 37 percent of households spend 50 percent or more of their household income on rent, which is a higher percentage of household than in Brooklyn (30.6 percent).

There are no protected affordable units or NYCHA regulated housing units in the subarea. There are an estimated 4,084 unprotected housing units in this subarea containing approximately 10,100 residents (approximately 30 percent of the total population).

EAST NEW YORK SUBAREA

The East New York subarea comprises the southeastern portion of the secondary study area and is roughly bounded by Van Sinderen Avenue to the west, Belmont Avenue to the north, Drew Street/Emerald Street to the east, and Riverdale Avenue/Hegeman Avenue/Linden Boulevard to the south. The subarea encompasses 14 census tracts (tracts 1118, 1120, 1124, 1126, 1134, 1156, 1158, 1160, 1162, 1164, 1194, 1200, 1208, and 1210) and is predominately residential with mostly low-rise, one-and two-family houses, except for four superblocks of tower-in-the-park developments.

As of the 2010 Census, the East New York subarea had a total of 17,912 housing units, the largest amount of housing units within the secondary study area, with approximately 76 percent of those being renter-occupied units (12,590). Approximately 50 percent of the total housing units were built before 1959 (8,242). According to PLUTO data, 1,788 housing units (approximately ten percent of the total housing units) were constructed between 2000 and 2014. A large percentage of the housing stock in this subarea consists of single-family and two- to three-family homes (41 percent).

The median household income in the East New York subarea is $31,547– 32 percent lower than the median household income in Brooklyn. Census tract 1156 has the lowest median household income within the subarea ($12,902), while census tract 1120 has the highest ($43,919). Approximately 36.5 percent of the people living in the East New York subarea are below the poverty level – 13 percentage points higher than the borough wide rate - with census tract 1210 having the highest percentage within the subarea and secondary study area (58.8 percent). Census tract 1200 had a 17.3 percent increase in persons below the poverty level, the highest in the secondary study area. Within this subarea, approximately 37 percent of households spend less than 30 percent of their household income on rent, which is a lower percentage of households than in Brooklyn (44.9 percent), while approximately 37 percent of households spend 50 percent or more of their household income on rent, which is a higher percentage of households than in Brooklyn (30.6 percent).

There are over 2,500 protected NYCHA public housing units within this subarea, which represents approximately 14 percent of the total housing units. There are also 1,200 affordable housing units in this subarea that are also considered protected. In addition, Linden Plaza, a Mitchell-Lama development, contains 319 protected rental housing units. In total, there are 4,109 protected housing units which represents almost 23 percent of the total housing units. There are an estimated 5,457 unprotected housing units in this subarea containing approximately 12,000 residents (approximately 24 percent of the total population).

CITY LINE SUBAREA

The City Line subarea comprises the eastern portion of the secondary study area and is roughly bounded by South Conduit Avenue to the southwest, Atlantic Avenue to the north, and Drew Street to the east. The subarea

encompasses four census tracts (tracts 1186, 1188, 1190, and 1202) and is predominately residential characterized by older, low-rise one-and two-family houses.

As of the 2010 Census, the City Line subarea had a total of 3,465 housing units, with 70 percent of those being renter-occupied units (2,190). The average household size of 3.69 in City Line is well above the average of the study area (3.07), as well as the average for Brooklyn (2.69). Approximately 50 percent of the total housing units were built prior to 1939 (1,625). According to PLUTO data, only 66 housing units (approximately two percent of the total housing units) were constructed between 2000 and 2014. The majority of the housing stock in this subarea consists of single-family and two- to three-family homes (54 percent).

The median household income in the City Line subarea is $35,164– slightly higher than both the primary and secondary study area, but nearly 25 percent lower than the median household income in Brooklyn. Census tract 1186 had one of the highest median household incomes in the study area, with $49,632. Approximately 39 percent of the people living in the City Line subarea are below the poverty level – 15 percentage points higher than the borough wide rate - with census tract 1190 having the highest percentage within the subarea (approximately 45 percent). Within this subarea, 34 percent of households spend less than 30 percent of their household income on rent, which is lower percentage of households than in Brooklyn (44.9 percent), while 40 percent of households spend 50 percent or more of their household income on rent, which is a higher percentage of households than in Brooklyn (30.6 percent).

There are no protected affordable units or NYCHA regulated housing units in the subarea. There are an estimated 1,524 unprotected housing units in this subarea containing approximately 4,000 residents (approximately 34 percent of the total population).

The Future without the Proposed Actions (No-Action Condition)

In the 2030 future without the Proposed Actions, it is expected that the current land use trends and general development patterns will continue in both the primary and secondary study areas. These trends and patterns are characterized by a mix of uses, including residential, commercial, industrial, and storage uses. Both the primary and secondary study areas are anticipated to experience modest growth by 2030 due to general background growth and planned or approved developments, including new construction and building conversions and enlargements pursuant to current zoning. Most of this growth is expected to consist of further development of residential and commercial space.

Primary Study Area

As detailed in Chapter 2, "Land Use, Zoning and Public Policy," 27 of the 80 projected development sites are expected to be redeveloped, or undergo conversion, in the future without the Proposed Actions under existing zoning. No-Action development on these 27 projected development sites would result in a net increase of 325,389 sf of residential floor area (428 market-rate DUs), 323,263 sf of commercial uses, 79,138 sf of community facility uses, and 81,175 sf of industrial uses on the projected development sites. These developments are discussed and summarized in Table 2-4 of Chapter 2. No changes are anticipated on the remaining 53 projected development sites in the future without the Proposed Actions.

In addition to the as-of-right development anticipated on some of the projected development sites in the RWCDS, two other sites in the primary study area are anticipated to be developed in the future without the Proposed Actions, which would introduce a new 69,400 sf mixed-use, 60-unit affordable housing development with ground floor retail at 2501 Pitkin Avenue and a smaller mixed-use affordable building at 2746 Fulton Street.

In absence of the Proposed Actions, the primary study area is anticipated to gain 488 dwelling units by 2030, for a total of 12,474 housing units. Assuming that all new residential units would be occupied and have an average household size of 2.99 persons per unit (2010 Census average household size for Brooklyn CD 5), this amount of residential development would add up to 1,459 residents to the primary study area. This residential development

would represent an approximately four percent increase in the housing stock and a four percent increase in the residential population within the primary study area by 2030 under No-Action conditions.

Secondary Study Area

As detailed in Chapter 2, there are six known and anticipated developments expected to occur within an approximate ½-mile radius of the primary study area in the future without the Proposed Actions. These six developments would result in a net increase of 975 affordable DUs, 83,297 sf of retail, and 147,704 sf of community facility uses. In total, No-Action development is estimated to add approximately 1.4 million square feet of residential (1,463 DUs), approximately 416,642 sf of commercial, 81,175 sf of industrial, approximately 226,842 sf of community facility space, and 4,438 residents and 1,682 workers to the secondary study area as compared to existing conditions (refer to Table 3-28 below).

TABLE 3-28
2030 No-Action & With-Action Residential Development in Overall Study Area (Primary and Secondary Study Areas Combined)

	Market-Rate DUs	Affordable DUs	Total DUs	Residents
Net Increment No-Action	425 DUs	1,038 DUs	1,463 DUs	4,438
Net Increment With-Action	2,865 DUs	3,447 DUs	6,312 DUs	18,801

Source: DCP

Notes: The estimated number of residents is based on previously conducted environmental review documents, including the 2013 *Pitkin Avenue Rezoning EAS*, 2013 *Cypress Hills Senior Housing EAS*, and 2014 *Henry Apartments EAS*. The estimated number of residents assumes 2.99 persons per DU for residential units in Brooklyn CD 5 and 2.75 persons per DU for residential units in Brooklyn CD 16.

In absence of the Proposed Actions, the secondary study area is anticipated to gain 975 dwelling units by 2030, for a total of 55,167 housing units. Assuming that all new residential units would be occupied and have an average household size of 2.99 persons per unit for residential units located in Brooklyn CD5 and 2.75 for units located in Brooklyn CD16 (based on 2010 Census average household sizes for Brooklyn CD5 and CD16), this amount of residential development would add up to 2,979 residents to the secondary study area. This residential development would represent an approximately two percent increase in the housing stock and an approximately two percent increase in the residential population within the secondary study area by 2030 under No-Action conditions. In relation to the overall study area, the No-Action residential development would represent an approximately two percent increase in the housing stock and two percent increase in the residential population.

The No-Action developments that would occur throughout the study area would continue the trend of increased residential development throughout much of the study area. New residential development has, and will continue to, affect all portions of the study area. This trend is driven in large part by excess demand from buyers and renters seeking affordable housing with easily accessible transit options in Brooklyn. Given that approximately 70 percent of the anticipated No-Action developments would introduce affordable DUs into the study area, it is anticipated that a substantial portion of the new population would have similar incomes relative to the existing population in the study area.

Given the trends experienced in the neighborhoods surrounding the study area, and the increased interest and limited housing stock of the study area, it is likely that rents within the study area would significantly increase in the future without the Proposed Actions. Demand for housing in the study area is expected to continue to increase given its relative affordability compared to the surrounding areas and its relatively convenient location and proximity to transit. Current real estate data show a trend towards higher property values and household incomes. Based on upward trends in income and real estate values near the secondary study area and the limited stock of available apartments, it is likely that low-income renter households living in rent-unprotected units would continue to experience indirect residential displacement pressures in the No-Action condition and could potentially move out of the area and therefore decrease in proportion to other households.

The Future with the Proposed Actions (With-Action Condition)

This section considers the effects of the Proposed Actions and associated RWCDS along with conditions expected in the future without the Proposed Actions, in order to determine whether the identified low-income population living in unprotected rental units would be potentially subject to displacement as a result of the Proposed Actions. According to the *CEQR Technical Manual*, the assessment of the effects of the Proposed Actions should consider how the real estate market conditions in the study area would change as a result of the Proposed Actions, including whether land use or real estate market conditions would reduce the likelihood that a low-income population in unprotected rental units would be subject to indirect displacement.

As detailed in Chapter 1, "Project Description," the Proposed Actions would foster economic and residential growth by encouraging development of mixed-use buildings at higher densities in several areas throughout the 190-block primary study area. Most development would be concentrated along key corridors served by transit including Atlantic Avenue, Pitkin Avenue, and Fulton Street. As shown in Table 3-29 above, the Proposed Actions would result in the development of a net increase of 6,312 DUs in the study area in the 2030 With-Action condition, of which approximately half are expected to be affordable. Assuming that all new units would be occupied and have an average household size of 2.99 persons per housing unit for Brooklyn CD5 and 2.75 persons per housing unit for Brooklyn CD16 (the 2010 Census average household sizes), the Proposed Actions would introduce a net increase of up to 18,801 residents in the study area.

As shown in Table 3-29, this amount of new residential development would represent an approximately 51 percent increase in the housing stock and 51 percent increase in the residential population within the primary study area, as compared to the future without the Proposed Actions. In relation to the overall study area, the net new residential development would represent an approximately nine percent increase in the housing stock and about 10 percent increase in the residential population.

TABLE 3-29
Population and Housing Growth- 2030 Future with the Proposed Actions

	Housing Units				Population			
	2030 No-Action Condition	RWCDS Net Increment	Total	% Change	2030 No-Action Condition	RWCDS Net Increment	Total	Percent Change
Primary Study Area	12,474	6,312	18,786	50.6%	36,843	18,801	55,644	51.0%
Overall Primary & Secondary Study Area Total	67,641	6,312	73,953	9.3%	192,363	18,801	211,164	9.8%

Note: Population growth assumes that all new units would be occupied and have average household size of 2.99 persons per DU for Brooklyn CD5 and 2.75 persons per DU for Brooklyn CD16 (2010 Census average household sizes).

Development as a result of the Proposed Actions is expected to occur over a 15-year period by private developers on a site-by-site basis, rather than all at once. As the 80 identified projected development sites within the primary study area are predominantly in private ownership, the timing of the development of those sites is unknown. According to Chapter 19, "Construction," the most underutilized land near transit was weighted greater for redevelopment, with earlier construction dates, such as projected development sites 1, 24, 47, and 67 (refer to Figure 19-1 in Chapter 19). In addition, the larger projected development sites where there are known plans are assumed to begin construction earlier (such as Site 66 and 67), closer to the time of project approvals (i.e., soon after the beginning of 2016). The Proposed Actions' overall effect on socioeconomic conditions would, thus, not be fully realized until 2030.

Indirect Residential Displacement Analysis

The objective of an indirect displacement analysis is to determine whether the proposed action may introduce a trend or accelerate a trend of changing socioeconomic conditions that may potentially displace a population of renters living in apartments not protected by rent stabilization, rent control, or other government regulation

restricting rents. According to the *CEQR Technical Manual,* indirect displacement of a residential population most often occurs when an action increases property values and thus rents throughout a study area, making it difficult for some existing residents to continue to afford to live in the community.

As mentioned above, the Proposed Actions would increase the study area population by greater than five percent over the future without the Proposed Actions. Although the *CEQR Technical Manual* does not specify thresholds for determining the significance of an indirect residential displacement impacts, it does indicate that an impact could generally be considered significant and adverse if households or individuals would be displaced and would not be likely to receive relocation assistance, and, given the trend created or accelerated by a proposed action, they would not be likely to find comparable replacement housing in their neighborhood. This detailed analysis of the potential for an indirect residential displacement impact estimates that the primary study area contains approximately 5,172 units (approximately 12,635 residents), and approximately 16,616 units (approximately 36,631 residents) in the secondary study area, that could be at risk of indirect displacement if their rents were to increase**.**

As described above, the Proposed Actions and associated RWCDS would increase the housing stock in the primary study area by about 51 percent and the residential population by 51 percent over the No-Action condition. Accordingly, based on *CEQR Technical Manual* thresholds, the Proposed Actions have the potential to substantially change the demographic composition and/or alter the real estate market conditions in both the primary and secondary study areas. However, this not expected to occur, and the Proposed Actions are not expected to result in a significant adverse indirect residential displacement impact, as explained further below.

As described above under "Existing Conditions," the median household incomes in both the primary and secondary study areas were considerably lower than both the median for Brooklyn and the citywide median, and below the incomes that can reasonably be anticipated for new households moving into 2,865 market-rate units constructed as a result of the Proposed Actions. Therefore, the Proposed Actions could result in upward pressures in rent as the market-rate units would likely include a large portion of households at higher incomes than the majority of the study areas existing population. However, as described in the future without the Proposed Action, given the trends experienced in surrounding neighborhoods, the limited housing stock, and overall demand for housing, it is likely that rents in the study area would increase significantly without the Proposed Actions.

As a whole, the socioeconomic characteristics of the population living in the study area is already changing and is likely to continue to change over the next several years under the No-Action condition by 2030. Low-income households are already experiencing rent pressures and the current average asking rents are not affordable to many of existing residents in the primary and secondary study areas. Given current market trends, it is very likely that demand for housing in the study area would continue to escalate in the future with or without the Proposed Actions, and that rents within the study area would significantly increase in the future without the Proposed Actions. Irrespective of the Proposed Actions, low-income residents living in unprotected rental units would likely experience indirect residential displacement pressures.

There has not been new higher density market rate housing built in the study area due in large part to the current zoning. In the near term, after the rezoning goes into effect, existing market conditions in the study area would limit the construction of market rate housing. It is therefore expected that the first projects constructed pursuant to the Proposed Actions would be affordable, As part of the East New York Community Plan, HPD has committed to fund at least 3,500 units of housing affordable to low-income households (80 percent of units would be affordable to households at 60 percent of Area Median Income [AMI] or below) to ensure that a substantial amount of protected affordable units are provided in the study area, which would help retain the low- and moderate-income renters now living in unprotected units. Therefore, particularly initially, a variety of City and State financing programs, such as HPD's Extremely Low and Low-Income Affordability (ELLA) program, would be available to and utilized by private developers to create affordable housing that reflects the existing income bands in the community.

As the housing market evolves, all market rate housing that is constructed would be subject to the Mandatory Inclusionary Housing (MIH) program as part of the Proposed Actions. The requirements of the MIH program would ensure that all new housing developments meeting mandatory inclusionary housing size thresholds include an affordable housing component, which would facilitate mixed-income communities.

As described in Chapter 2, "Land Use, Zoning, Public Policy," the main features of the new program are:

- Affordable housing would be mandatory, not voluntary. Production of affordable housing would be a condition of residential development.
- Affordable housing would be permanent**.** There would be no expiration to the affordability requirement of apartments generated through Mandatory Inclusionary Housing, making them a long-term, stable reservoir of affordable housing.

As part of the MIH proposal, the City Planning Commission and ultimately the City Council would apply one of two affordability options to any area being rezoned to increase residential development potential. In East New York, this policy would require that 25 percent of total floor area of any new development in medium-density districts and above be set aside for affordable housing units for residents with incomes averaging 60 percent AMI ($46,620 for a family of three).

The affordable housing units created as a result of the Proposed Actions would expand housing options available to low- and moderate-income residents in the study area, protecting them against any indirect displacement pressure in the future with or without the Proposed Actions. This protected affordable housing could serve some of the low-income households currently in unprotected rental units, which can be expected to occupy affordable housing units projected to be developed under the Proposed Actions. The anticipated affordable housing could also help to balance the upward momentum of rents in the study area caused by the increase in development generated by the Proposed Actions. By adding a substantial number of new affordable and market-rate housing units, the Proposed Actions could relieve, rather than increase market pressure in the study area. By providing additional housing, including affordable housing, in an area where demand is high, the Proposed Actions could absorb housing demand that might otherwise be expressed through increases in rents in the study area.

The Proposed Actions could potentially create two distinct markets for housing. Although the Proposed Actions would introduce market-rate housing into the area, most of the projected developments would be larger mixed-use residential and commercial developments at higher densities along primary corridors and medium density developments along key corridors served by transit. With the application of the MIH Program, these larger mixed-use developments would contain a combination of market-rate and protected affordable housing units. Most existing residential development in the study area consists of smaller residential buildings containing fewer than six housing units. Therefore, the Proposed Actions may help to create a distinct market, less likely to have any effect on market conditions in smaller buildings. In fact, the Proposed Actions could relieve the indirect residential displacement pressure that unregulated units in small residential buildings would experience under the No-Action condition.

According to the *CEQR Technical Manual* if the proposed action would introduce a mixed-income population to an area with a recent history of affordable housing investment, it is possible that the new population would serve to stabilize the real estate market rather than change it in such a way that rents would be expected to rise substantially in the surrounding area. The RWCDS associated with the Proposed Actions would add 2,865 market-rate units and a substantial number of affordable units, up to 3,447 affordable housing units, to the primary study area, considerably expanding the supply of affordable housing. The affordable housing units would help to ensure that a considerable portion of the new households would have incomes that would more closely reflect existing incomes in the study area and help ensure that the neighborhoods continue to serve diverse housing needs.

Given the existing market trend of increasing rents in surrounding neighborhoods, which are anticipated to affect the study area without the Proposed Actions, combined with heavily subsidized affordable housing development once the rezoning takes effect and the application of the MIH program to new market rate development, the Proposed Actions are expected to result in a substantial amount of housing, including affordable housing, which would serve to limit the Proposed Actions' effects on the real estate market in the study area. Therefore the Proposed Actions are not expected to result in a significant adverse impact with respect to indirect residential displacement.

F. DETAILED ASSESSMENT OF INDIRECT BUSINESS DISPLACEMENT

The possibility that the Proposed Actions and associated RWCDS may result in trends that could cause significant indirect business and institutional displacement impacts could not be ruled out with a preliminary assessment. Therefore, a detailed analysis was performed. According to the *CEQR Technical Manual*, the approach to a detailed assessment of indirect business and institutional displacement requires in-depth analysis of business, employment, and commercial real estate trends.

The objective of this detailed analysis is to determine whether the Proposed Actions and associated RWCDS could result in trends that have the potential to markedly increase property values and rents in the study area, making it difficult for some categories of businesses to remain at their current locations, and whether the displacement, were it to occur, would result in significant adverse impacts. An example would be industrial businesses 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. Additionally, indirect displacement of businesses may occur if a project directly displaces any type of use that either directly supports businesses in the area or brings a customer base to the area for local businesses, or if it directly or indirectly displaces residents or workers who form the customer base of existing businesses in the area.

This detailed assessment of indirect business and institutional displacement is based on a characterization of the primary and secondary study areas in terms of conditions and trends in employment, physical and economic conditions, existing conditions and trends in real estate values and rents, zoning and other regulatory controls, land use and transportation services, and underlying trends in the larger borough and City's economy. These factors are considered in order to develop an understanding of which sectors of the study areas' economic base may be most vulnerable to indirect displacement, and evaluate whether any displacement resulting from the Proposed Actions and associated RWCDS could be considered a significant adverse impact.

In accordance with *CEQR Technical Manual* guidelines, this analysis is divided into three sections: Existing Conditions, including employment and business trend data; conditions in the future without the Proposed Actions (No-Action condition); and the future with the Proposed Actions (With-Action condition).

Existing Conditions

This section builds upon the information provided in the preliminary assessment of Direct Business Displacement above and presents an employment profile for the primary and secondary study areas, and describes ways in which that profile has changed over time.

Employment Trends

BOROUGH OF BROOKLYN AND NEW YORK CITY

In order to put employment shifts in the primary and secondary study areas into a broader context, it is useful to examine employment trends in the borough of Brooklyn and New York City as a whole. Within the last decade, private sector employment has been growing within the borough of Brooklyn, as well as in the City. According to the New York State Office of the Comptroller, private sector employment within Brooklyn grew by almost 20 percent between 2003 and 2013 – a more rapid rate than New York City as whole as well as each other borough. Mirroring employment growth within the borough, the number of business establishments increased considerably in Brooklyn, growing by approximately 21 percent, which is also a much faster rate of growth than experienced in the remainder of the City.

Table 3-30 shows the employment trends in Brooklyn and New York City in 2000 and 2013. With few exceptions, most economic sectors in Brooklyn experienced increases in employment between 2000 and 2013. Consistent with trends in the larger City, the Health Care and Social Assistance sector experienced the greatest amount of growth in Brooklyn between 2000 and 2013. As shown in Table 3-30, the Health Care sector added more than 41,400 workers

(a 34 percent increase) in Brooklyn between 2000 and 2013, and accounted for approximately one-third of all private sector jobs in Brooklyn in 2013. The next largest employment growth in Brooklyn occurred in the Accommodation and Food Service and Retail Trade sectors, which increased by 19,935 workers and 15,105 workers, respectively.

TABLE 3-30
Brooklyn and New York City Employment, 2000 and 2013

	Brooklyn Employment		Change		New York City Employment		Change	
Industry Title	2000	2013	Numeric	Percentage	2000	2013	Numeric	Percentage
Total, All Industries	441,911	533,145	91,234	20.6%	3,605,982	3,830,828	224,846	6.2%
Total, All Private	408,103	500,977	92,874	22.8%	3,056,861	3,305,769	248,908	8.1%
Agriculture, Forestry, Fishing & Hunting	40	58	18	45.0%	191	241	50	26.2%
Mining, Quarrying, & Oil/Gas Extraction	28	0	-28	-100.0%	80	23	-57	-71.3%
Utilities	4,576	4,169	-407	-8.9%	5,240	4,971	-269	-5.1%
Construction	24,325	25,713	1,388	5.7%	117,190	120,098	2,908	2.5%
Manufacturing	43,212	20,214	-22,998	-53.2%	172,266	76,030	-96,236	-55.9%
Wholesale Trade	23,868	24,765	897	3.8%	150,948	132,845	-18,103	-12.0%
Retail Trade	53,396	68,501	15,105	28.3%	274,301	335,358	61,057	22.3%
Transportation & Warehousing	13,639	15,754	2,115	15.5%	114,291	101,112	-13,179	-11.5%
Information	8,627	7,387	-1,240	-14.4%	189,181	164,731	-24,450	-12.9%
Finance & Insurance	14,197	14,148	-49	-0.3%	360,365	312,674	-47,691	-13.2%
Real Estate & Rental/Leasing	13,581	15,593	2,012	14.8%	115,833	119,287	3,454	3.0%
Professional, Scientific, & Technical Services	11,484	18,304	6,820	59.4%	312,271	353,223	40,952	13.1%
Management of Companies & Enterprises	944	3,012	2,068	219.1%	51,293	65,379	14,086	27.5%
Admin. & Support & Waste Management/Remediation Services	18,157	23,859	5,702	31.4%	207,649	199,950	-7,699	-3.7%
Educational Services	15,245	23,556	8,311	54.5%	106,253	144,964	38,711	36.4%
Health Care & Social Assistance	121,054	162,458	41,404	34.2%	477,570	608,489	130,919	27.4%
Arts, Entertainment, & Recreation	3,145	7,073	3,928	124.9%	54,864	76,801	21,937	40.0%
Accommodation & Food Services	16,812	36,747	19,935	118.6%	195,251	308,464	113,213	58.0%
Other Services (except Public Administration)	19,951	24,964	5,013	25.1%	135,047	156,945	21,898	16.2%
Total, All Government	33,808	32,168	-1,640	-4.9%	549,121	525,059	-24,062	-4.4%
Unclassified	1,823	4,692	2,869	157.4%	7,499	14,233	6,734	89.8%

Source: NYSDOL, Annual QCEW 2000 and 3rd Quarter 2013

Similar to trends in the City as a whole, the Manufacturing sector experienced the largest decline in both absolute and relative numbers in Brooklyn. Between 2000 and 2013, this sector lost almost 23,000 jobs, or approximately 53 percent of its employment base in Brooklyn, and more than 96,200 jobs (approximately 56 percent) were lost in the City overall. This decrease is reflective of a broader, citywide decrease in manufacturing employment over the past several decades. Brooklyn contains a slightly higher concentration of employment in industrial sectors, such as transportation, construction, wholesale, and manufacturing uses, as compared to the City as whole. In 2013, industrial sectors accounted for more than 17 percent of private employment within the borough as compared to only about 13 percent in the City as a whole.

The industrial and manufacturing sector provides more than 484,303 jobs in New York City, including 76,030 manufacturing jobs.[13] Since the 1960s, employment in the industrial sector (including manufacturing, distribution, and construction sectors) within New York City has historically declined. Over the last decade, New York City's manufacturing sector has experienced substantial job loss within nearly every sub-sector. According to the New York City Economic Development Corporation's (NYCEDC's) October 2013 *State of Local Manufacturing*, the total number of manufacturing jobs has declined by approximately 50 percent, decreasing from more than 150,000 manufacturing employees in 2001 to slightly more than 75,000 employees in 2012, which accounts for approximately 15 percent of the City's private sector employment. The most severe decline in manufacturing employment occurred during the recession from 2008 to 2009, which saw a 14.5 percent decline.

[13] Industrial and manufacturing broadly includes manufacturing, construction, wholesale trade, transportation and warehousing, utilities, motion picture and sound producing/recording, and waste management.

In 2012, New York City's manufacturing sector experienced its first year of growth in over a decade. Manufacturing jobs also increased in Brooklyn, reversing a decade long trend. In 2012, the number of manufacturing jobs in Brooklyn rose to 19,910 and climbed again in 2013 to 20,214 jobs More recent employment statistics that are only available on a City wide basis show that manufacturing employment is again in decline, even as most other sectors of the City's economy are growing. Food manufacturing was the largest part of the manufacturing base (27 percent), with 5,410 jobs in 2012, followed by apparel manufacturing with 3,580 jobs, which accounted for 18 percent and was the fastest growing segment, increasing by nearly 25 percent between 2010 and 2012. Brooklyn is also becoming increasingly attractive to high-tech and creative firms centered on the Brooklyn Tech Triangle. In addition, fabricated metal accounts for more than 10 percent of Brooklyn's manufacturing jobs, and is largely concentrated in East New York/Cypress Hills area.

According to NYCEDC's *State of Local Manufacturing*, the majority of manufacturing firms in the City are small and have fewer than ten workers. They are generally well-established entities and approximately 60 percent of manufacturing firms have been in operation for more than 20 years in the City. Two-thirds of manufacturing businesses are family-owned. Sixty percent of manufacturing firms rent their associated space. The products these firms manufacture have also changed. Manufacturers in New York City are paying more attention to consumption patterns and producing goods with locally sourced products to satisfy recent consumer appetite for regional, specialty products. This type of consumer preference is evident in the successes of "Made in New York" branded products and also in the food markets that have sprung up across the City, which source a majority of their products from local farms and firms.

Manufacturing in New York City has also been contracting for some time. The number of employees per establishment has decreased for all manufacturing clusters since 2002, which is consistent with the industry's recent move towards smaller, more niche operations as opposed to large factories. This is partly due to the standard pressures on businesses to innovate and reduce costs to remain competitive. Through adopting forms of efficiency and technology, firms' automation processes have resulted in fewer workers employed. Since 2006, the average number of manufacturing firms has remained relatively stable, whereas the number of manufacturing employees per establishment has continued to decline.

According to NYCEDC's *State of Local Manufacturing*, the borough of Brooklyn had the highest concentration of food and beverage manufacturers, an economic sector that has been experiencing a resurgence and accounts for much of the growth in manufacturing establishments in the City. Brooklyn also has clustering of petroleum, chemical, plastic, and mineral manufacturers and furniture and related products manufacturers, which have been on a decline within the City.

PRIMARY AND SECONDARY STUDY AREAS

As described above, in the preliminary assessment of Direct Business and Institutional Displacement, both the primary and secondary study areas are mixed-use areas that support a wide distribution of employment in various economic sectors. Similar to the borough, the Health Care and Social Assistance sector accounts for the largest percentage of employment in both the primary and secondary study areas, comprising slightly less than a third of the employment in both the primary and secondary study areas. However, as shown in Tables 3-31 and 3-32, both the primary and secondary study areas contain higher concentrations of employment in industrial sectors, such as transportation, construction, wholesale, and manufacturing uses, as compared to Brooklyn. Industrial sectors account for approximately 46 percent of the employment in the primary study area and about 33 percent of the employment in the secondary study area, as compared to 17 percent in the borough. The majority of these jobs are concentrated in the Transportation and Warehousing sector, which accounts for approximately 36 percent of employment within the primary study area and approximately 19 percent of employment in the secondary study area. Jobs in this sector include towing companies, freight shipping, transit and ground transportation, as well as self-storage uses.

Employment trends in the secondary study area have been similar to employment patterns in Brooklyn, with manufacturing employment decreasing over time, and services employment increasing. Table 3-31 provides historic trend data on the number business establishments and employment levels by NAICS economic sector in the

secondary study area. As Table 3-31 shows, similar to the trend experienced in the larger borough, the total number of business establishments and employment levels in the secondary study area have increased relatively steadily within the last 13 years since 2000.

TABLE 3-31
Business Establishments and Employment in the ½-Mile Secondary Study Area, 2000, 2008, and 2013

Employment Sector	2000		2008		Percent Change in Employment 2000-2008	2013		Percent Change in Employment 2000-2013
	Number of Firms	Number of Employees	Number of Firms	Number of Employees		Number of Firms	Number of Employees	
Accommodation & Food Service	75	630	101	671	6.5%	173	832	24.0%
Admin. & Support & Waste Management/Remediation Services	32	168	36	145	-13.7%	59	350	141.4%
Agriculture, Forestry, Fishing & Hunting	D	D	D	D	D	D	D	D
Arts, Entertainment & Recreation	D	D	D	D	D	D	D	D
Construction	83	635	92	733	15.4%	97	1,008	37.5%
Educational Services	15	455	17	942	107.0%	26	1,362	44.6%
Finance & Insurance	31	126	31	163	29.4%	43	234	43.6%
Health Care & Social Assistance	108	5,188	155	4,835	-6.8%	189	4,448	-8.0%
Information	D	D	D	D	D	D	D	D
Management of Companies & Enterprises	D	D	D	D	D	D	D	D
Manufacturing	103	2,028	63	1,314	-35.2%	58	817	-37.8%
Other Services (except Public Admin.)	171	715	173	627	-12.3%	220	869	38.6%
Professional, Scientific, & Technical Services	19	92	25	160	73.9%	43	151	-5.6%
Real Estate & Rental/Leasing	60	257	56	202	-21.4%	56	213	5.4%
Retail Trade	390	1,828	405	1,784	-2.4%	537	2,347	31.6%
Transportation & Warehousing	45	1,605	47	3,007	87.4%	71	3,043	1.2%
Unclassified	28	78	48	44	-43.6%	172	87	97.7%
Utilities	D	D	D	D	D	D	D	D
Wholesale Trade	65	672	59	615	-8.5%	70	601	-2.3%
Total	**1,233**	**14,583**	**1,322**	**15,386**	**5.5%**	**1,824**	**16,378**	**6.4%**

Notes: D: denotes that number is too small to be disclosed.
Source: QCEW 3rd Quarter 2013, 2008, 2000, Compiled by DCP HEIP Division, April 2015.

The most significant increases in the number of business establishments occurred in the sectors of Retail Trade, Transportation and Warehousing, Accommodation and Food Service, and Health Care and Social Assistance. Retail establishments made up about 29 percent of the firms. Unlike the trend experienced in the larger borough, while the number of Health Care and Social Assistance firms increased within the study area, the number of jobs has declined by approximately 14 percent in this sector since 2000. The most significant increases in employment levels occurred in the sectors of Transportation and Warehousing, Educational Services, Retail Trade, and Construction. The number of Educational Services jobs has more than doubled (907 jobs) since 2000, and the number of Warehousing and Transportation sector jobs increased by more than 90 percent (1,438 jobs).

Consistent with both the borough and the City, the number of establishments and jobs has steadily decreased in the Manufacturing sector with a loss of 45 firms and more than 1,200 jobs in the secondary study area since 2000. Since 2008, the Manufacturing sector has experienced an approximately 38 percent decline in the number of jobs. However, manufacturing still represents an important role in employment, accounting for approximately 14 percent of employment. The numbers of Wholesale Trade jobs have also declined by about ten percent since 2000.

Table 3-32 provides historic trend data on the number business establishments and employment levels by NAICS economic sector in the primary study area. As Table 3-32 shows, similar to the trend experienced in the secondary study area, the total number of business establishments and employment levels in the primary study area have increased since 2000. Since 2008, the number of firms in the primary study area has grown by approximately 43

percent (141 firms) and employment within the primary study area has increased by approximately 6.3 percent (266 employees).

TABLE 3-32
Business Establishments and Employment in the Primary Study Area, 2000, 2008, and 2013

Employment Sector	2000		2008		Percent Change in Employment 2000-2008	2013		Percent Change in Employment 2000-2013
	Number of Firms	Number of Employees	Number of Firms	Number of Employees		Number of Firms	Number of Employees	
Accommodation & Food Service	23	197	25	277	40.6%	49	301	8.7%
Admin. & Support & Waste Management/Remediation Services	9	42	14	44	4.8%	18	66	50.0%
Arts, Entertainment & Recreation	D	D	D	D	D	D	D	D
Construction	18	140	18	171	22.1%	24	99	-42.1%
Educational Services	D	D	D	D	D	D	D	D
Finance & Insurance	9	44	9	28	-36.4%	10	25	-10.7%
Health Care & Social Assistance	17	453	30	1,082	138.9%	42	1,168	79%
Information	D	D	D	D	D	D	D	D
Manufacturing	49	1,097	24	608	-44.6%	21	132	-78.3%
Other Services (except Public Admin.)	51	158	55	151	-4.4%	70	180	19.2%
Professional, Scientific, & Technical Services	D	D	D	D	D	D	D	D
Real Estate & Rental/Leasing	7	32	12	19	-40.6%	10	13	-31.6%
Retail Trade	72	319	81	295	-7.5%	121	464	57.3%
Transportation & Warehousing	9	324	12	1,103	240.4%	23	1,627	47.5%
Unclassified	8	32	9	10	-68.8%	43	14	40.0%
Wholesale Trade	19	180	22	233	29.4%	20	186	-20.2%
Total	**302**	**3,102**	**322**	**4,204**	**35.5%**	**463**	**4,470**	**6.3%**

Notes: D: denotes that number is too small to be disclosed.
Source: QCEW, 3rd Quarter 2013, 2008, 2000, Compiled by DCP HEIP Division, April 2015.

The most significant increases in the number of business establishments occurred in the sectors of Retail Trade, Accommodation and Food Service, and Health Care and Social Assistance. Of all major employment categories, the Transportation and Warehousing sector experienced the largest employment growth in the primary study area, increasing by slightly more than 1,300 jobs between 2000 and 2013. The next largest employment growth occurred in the Health Care and Social Assistance sector, which added 715 workers during this same time period. Consistent with both the borough and the City, the number of establishments and jobs has decreased considerably in the Manufacturing sector with a loss of 28 firms and 965 jobs in the primary study area since 2000. Since 2008, the Manufacturing sector has experienced a 78 percent decline in the number of jobs. The numbers of Wholesale Trade and Construction jobs have also generally declined since 2000.

As described above, both the primary and the secondary study areas have relatively high concentrations of employment in the Transportation and Warehousing sector. Table 3-33 provides more detailed information on the number and type of Transportation sector firms in the four zip codes (including zip codes 11207, 11208, 11212, and 11233) that most closely correspond to the ½-mile secondary study area.[14] As shown in Table 3-33, transportation firms in the secondary study area account for slightly more than six percent of all Transportation and Warehousing firms in the borough. Most Transportation sector firms in the secondary study area are related to transit and ground transportation (46 percent or 42 firms), followed by truck transport, which includes both general and specialized freight transport (25 percent or 23 firms) as well as support activities for transportation (15 percent or 14 firms) including towing services (refer to Table 3-33). Based on 2012 Zip Code Business Patterns, the school and employee

[14] Employment data by specific economic sector are not available from the Department of Labor or the Census Business Patterns for geographic areas smaller than counties. Although zip code boundaries do not conform exactly to the ½-mile secondary study area, zip codes 11207, 11208, 11212, and 11233 (shown in Figure 3-2) largely encompass the secondary study area, and are therefore used as the basis of the discussion on employment trends in the study area.

bus transportation and special need transportation establishments employed the largest number of workers, and included two firms that employed between 500 and 999 workers and six firms that employed between 250 and 499 workers. The majority of transportation-related firms (46 percent or 42 firms) are concentrated in zip code 11207 followed by zip code 11208 (29 percent or 26 firms). These two zip codes encompass the approximately 175-block East New York/Cypress Hills area of the rezoning area.

TABLE 3-33
Transportation and Warehousing Sector Business Establishments, 2012

NAICS		Number of Firms					Brooklyn		Percentage of Brooklyn Firms
		Zip Code				Study Area			
Code	Industry Decription	11207	11208	11212	11233	total	Firms	Workers	in Study Area
48----	**TRANSPORTATION & WAREHOUSING**	**42**	**26**	**13**	**10**	**91**	**1433**	**18,780**	**6.4%**
483	**Water Transportation**	**0**	**1**	**0**	**0**	**1**	**6**	**D**	**16.7%**
484	**Truck Transportation**	**9**	**7**	**5**	**2**	**23**	**547**	**2,850**	**4.2%**
4841	General Freight Trucking	4	5	2	2	13	382	1,734	3.4%
4842	Specialized Freight Trucking	5	2	3	0	10	165	1,116	6.1%
485	**Transit & Ground Transportation**	**24**	**11**	**3**	**4**	**42**	**535**	**11,424**	**7.9%**
485310	Taxi Service	4	1	1	1	7	179	D	3.9%
485320	Limousine Service	2	1	1	1	5	144	843	3.5%
485410	School & Employee Bus Transportation	9	6	0	0	15	61	6,262	24.6%
485991	Special Needs Transportation	5	2	1	2	10	76	2,636	13.2%
488	**Support Activities for Transportation**	**5**	**5**	**3**	**1**	**14**	**185**	**1,260**	**7.6%**
488410	Motor Vehicle Towing	2	3	1	0	6	48	320	12.5%
492	**Couriers & Messengers**	**4**	**2**	**2**	**3**	**11**	**90**	**2,002**	**12.2%**

Notes: The ½-mile secondary study area falls generally within four zip codes: 11207, 11208, 11212, and 11233.
Source: U.S. Bureau of the Census, 2012 Zip Code and County Business Patterns

There is also notable presence of automotive-related services in both the primary study area and the secondary study area, which offer a variety of services from general automotive repair, gas stations, car wash and detailing, and glass repair services. They are generally clustered along Atlantic Avenue, but are also found along Fulton Street, Pennsylvania Avenue, Liberty Avenue and Pitkin Avenue to a lesser degree. As shown in Table 3-34, the number of automotive-related services in the four zip codes that encompass the secondary study area account for approximately nine percent of automotive-related service establishments in Brooklyn. The majority of automotive-related services (approximately 79 percent or 62 firms) are concentrated in zip codes 11207 and 11208, which encompass the East New York/Cypress Hills area of the rezoning area. Approximately 63 percent (49 firms) of these establishments are automotive mechanical and electrical repair and maintenance services in the study area, and most of these firms (43 firms) are general automotive repair shops followed by auto body, paint and interior repair and maintenance shops (17 firms).

Profile of Commercial and Industrial Space within the Study Areas

Per 2014 PLUTO data, the primary study area contains approximately 976,350 sf of retail space, approximately 546,050 sf of office space, and approximately 781,810 sf of storage space, hotel, and other commercial uses, totaling over 2.3 million sf of existing commercial space.

Retail storefronts are largely concentrated along the mixed-use corridors of Fulton Street, Atlantic and Pitkin Avenues and to a lesser degree along Liberty and Pennsylvania Avenues within the primary study area. According to Arial Property Advisors, retail space in East New York rents range from $14 to upwards of $33 per square foot, with higher retail rents located on Fulton Street and Atlantic Avenue, and lower rates on Liberty and Pennsylvania Avenues.

TABLE 3-34
Automotive-Related Other Service Sector Business Establishments, 2012

NAICS Code	Industry Decription	Number of Firms: Zip Code 11207	11208	11212	11233	Study Area Total	Brooklyn Firms	Brooklyn Jobs	Percentage of Brooklyn Firms in Study Area
81----	**Other Services (except Public Admin.)**	**134**	**105**	**79**	**75**	**393**	**5598**	**28164**	7.0%
81111	Auto Mechanical & Electrical Repair/Maintenance	20	18	5	6	49	559	1653	8.8%
811111	General Auto Repair	15	18	5	5	43	517	1487	8.3%
811113	Auto Transmission Repair	4	0	0	0	4	24	93	16.7%
811118	Other Auto Mechanical & Electrical Repair/Maintenance	1	0	0	1	2	12	51	16.7%
81112	Auto Body, Paint, Interior, & Glass Repair	6	8	0	3	17	185	706	9.2%
811121	Auto Body, Paint, & Interior Repair/Maintenance	5	7	0	3	15	162	652	9.3%
811122	Auto Glass Replacement Shops	1	1	0	0	2	23	D	8.7%
81119	Other Auto Repair/Maintenance	6	4	0	2	12	93	655	12.9%
811191	Auto Oil Change & Lubrication Shops	1	1	0	0	2	8	D	25.0%
811192	Car Washes	4	3	0	1	8	72	571	11.1%
811198	All Other Auto Repair/Maintenance	1	0	0	1	2	13	21	15.4%

Notes: The secondary study area falls generally within four zip codes: 11207, 11208, 11212, and 11233.
Source: U.S. Bureau of the Census, 2012 Zip Code and County Business Patterns

The typical retail mix on Fulton Street is fairly limited to neighborhood goods and services, including delis, fast food restaurants, and hair salons/barber shops, as well as storefront churches. Near Pennsylvania Avenue, there is a concentration of automotive-related uses on Fulton Street, including gas stations, used car sales lots, and automotive repair shops. Fulton Street is mainly lined with older two-to four-story attached mixed-use buildings with ground floor retail and housing or other commercial uses located above. It is an active local retail corridor with important shopping, services, and dining destinations for the surrounding community.

Atlantic Avenue is characterized by a mix of low-scale semi- and/or light-industrial buildings, auto-related uses (e.g., gas stations, car washes, and auto repair shops), self-storage facilities, and fast food drive-thru restaurants interspersed with mixed residential and commercial uses. Buildings are generally setback from the street and have accessory parking lots in front. Most loft-style buildings that were originally built for industrial purposes have been converted to warehousing and self-storage facilities, or are vacant. A greater mix of uses is present along Liberty Avenue (one block south of Atlantic Avenue), which is characterized by auto repair shops, scrap metal yards, metal fabricators, and other light-industrial uses, such as warehouses, interspersed with residential buildings and institutional uses.

Although once a thriving continuous commercial corridor, the number of retail establishments along Pitkin Avenue has not returned to its historical level when the residential population was higher. A number of retail establishments have been shuttered and ground floor residential uses are found in over 40 percent of the buildings along Pitkin Avenue, as many former retail spaces have been converted to residential uses. Remaining commercial uses along this corridor include one of the area's few full-service supermarkets, as well as delis, laundromats, and other small retail establishments.

Industrial uses are largely concentrated beyond the primary study area's boundaries. As shown in Figure 2-3 of Chapter 2, "Land Use, Zoning, and Public Policy," there are a few small areas zoned for high performance manufacturing (M1), which require industrial operations to be enclosed. Most manufacturing zones are concentrated along Atlantic Avenue with the densest cluster at the eastern end of the study area by Euclid Avenue and Milfred Street. There are also manufacturing zones along Liberty Avenue between New Jersey Avenue and Barbey Street, and between Liberty and Glenmore Avenues bounded by Shepherd and Montauk Avenues. Considerably larger manufacturing zones are located beyond the primary study area to the west within the East New York IBZ.

Most of the small pockets of manufacturing zoning in the primary study area do no support many active industrial uses. These areas contain a number of vacant and underutilized properties, including vehicle storage uses. There is also a trend toward conversion of the area's manufacturing buildings to support more diverse uses. Many of the former loft buildings have been converted to warehousing and storage facilities, or are vacant on Atlantic Avenue,

East New York Avenue, Fulton Street, and Pitkin Avenue. Recent construction within the M1 zoning districts in the primary study area has primarily been limited to fast food establishments and community facilities, such as schools, suggesting low demand for industrial land uses.

Based on 2014 PLUTO data, the primary study area currently contains approximately 465,200 sf of industrial space on 76 lots. Approximately 20 percent (92,540 sf) of the industrial space is located at two properties, including: the former Banner Candy factory at 700-710 Liberty Avenue, which is vacant (projected development site 53), and 2848 Atlantic Avenue, which is partially vacant (projected development site 37). Slightly less than 48 percent of the industrial space (221,910 sf) is located on 64 lots within low-rise primarily one-and two-story buildings that contain less than 10,000 sf of industrial space each.

According to the Pratt Center's *Cypress Hills/East New York Brownfield Opportunity Area Manufacturing Opportunity Analysis*, the key manufacturing sectors in Cypress Hills/East New York area are food, plastics and rubber, furniture, apparel, and fabricated metal.[15] The secondary study area includes more than 1.61 million sf of industrial space on 142 lots. A significant clustering of this industrial space falls within the East New York IBZ, which is located immediately adjacent to the primary study area at the intersection of several major roadways and occupies much of the southwestern portion of the secondary study area (refer to Figure 2-6 in Chapter 2, "Land Use, Zoning, and Public Policy").

In 2005, the City established IBZs to stabilize primarily industrial areas in the Bronx, Brooklyn, and Queens. Most recently, new IBZs were created in both Staten Island and Queens. The designations of these areas as IBZs foster high-performing business districts by creating competitive advantages over locating in areas outside of New York City. The IBZs encourage the reuse of underutilized industrial properties and are supported by tax credits for relocating within them, zone-specific planning efforts, and direct business assistance from Industrial Providers of NYC Business Solutions Industrial & Transportation. The IBZ Relocation Tax Credit is a one-time tax credit of $1,000 per relocated employee, with up to $100,000, available to industrial and manufacturing firms relocating to or within one of the City's 21 IBZs.

Historically, the area of the East New York IBZ has been a hub of industrial activity dated back to the late 19th century, and there has been a concentration of metal fabrication companies in the area since the early 20th century. Comprising more than 100 acres in its entirety, the East New York IBZ is home to more than 4,000 jobs, about a quarter of which are in industrial and manufacturing sectors, employed by more than 45 industrial and manufacturing firms. Key industrial subsectors within the IBZ include sheet and metal fabrication, transportation and warehousing, woodworking, and vinyl manufacturing. Between 2002 and 2011, the East New York IBZ experienced a considerable increase of approximately 33 percent in the number of jobs. However, the most significant increases in employment occurred in the social services and transportation-related sectors. The number of manufacturing jobs declined during the same time frame. Semi-industrial uses such as warehouses and vehicle storage make up the majority of current land use in the East New York IBZ.

The East New York IBZ is one of six IBZs in Brooklyn, and includes more than 300 structures on its 58 manufacturing zoned blocks that extends beyond the secondary study area. It is characterized by open-air, low-density industrial uses, bus parking and one-and two-story industrial buildings. Approximately ten percent of all lots in the IBZ are vacant, and there a number of underutilized and vacant City-owned parcels. According to 2014 PLUTO data, existing buildings within the IBZ include more than 1.3 million square feet of industrial space. Approximately 24 percent of this industrial space (316,000 sf) has been constructed since 1991 and approximately 50 percent of the space is within buildings that have at least 25,000 sf of industrial space (672,000 sf). More than 13 acres of the East New York IBZ are zoned M3-2 for heavy manufacturing, approximately 68 acres are zoned M1-4 and about 23 acres area zoned M1-1 for light manufacturing.

[15] Pratt Center, *Cypress Hills/East New York Brownfield Opportunity Area Manufacturing Opportunity Analysis* (January 2013)

INDUSTRIAL RENTAL RATES

Within the last few years, the industrial space market has become very tight in New York City. According to the January 2014, *Real Estate Report: Leasing of Industrial Space Heats Up,* article in Crain's New York Business, the average asking rent per square foot for industrial space in the outer boroughs increased to $14.25 in 2013, nearly a 25 percent increase from an average of $11.50 in mid-2011, and about a ten percent increase from 2012. Table 3-35 provides the average rental rates, as of August 2013, of industrial space within the five boroughs and New York City as a whole, as well as both within and outside of IBZ areas in the City. As shown in Table 3-35, Manhattan had the highest average rental rate for industrial space, at $30 per square foot, followed by Brooklyn, which had a rate of $15.64 per square foot. Staten Island had the lowest average asking rental rate of $10.51 per square foot. As of August 2013, IBZ areas in the City have an average industrial space rent of $13.50, which is more than $4.00 less than non-IBZ areas. IBZs also have lower vacancy rates, signifying a greater demand for industrial spaces in IBZ areas.

TABLE 3-35
Average Rental Price for Industrial Space, as of August 2013

Location	Average Rental Rate for Industrial Space per Square Foot
Bronx	$11.72
Brooklyn	$15.64
Manhattan	$30.00
Queens	$13.49
Staten Island	$10.51
New York City	$14.03
Within IBZ	$13.50
Outside IBZ	$18.20

Source: NYCEDC, *State of Local Manufacturing*, October 2013

According to the Urban Land Institute's (ULI) Broadway-Junction Technical Assistance Panel (TAP) on June 25-26, 2014, the East New York IBZ reported vacant lot sales at $40 to $60 per square foot and the sale of industrial buildings at $140 to $160 per square foot. Discussions with real estate brokers for the greater East New York area indicated that the average rental rates for industrial space typically range from $12 to $14 per square foot. Within the East New York IBZ, average rental rates are slightly lower and closer to $12 per square foot. A survey of current industrial rents on Greiner-Maltz Real Estate, Crosstown Industrial and Commercial Real Estate, loopnet.com, and cityfeet.com indicates that industrial space in the greater East New York area ranges from a low of $6.00 per square foot to upwards of approximately $16.00 per square foot. Most industrial space in the secondary study area leases for approximately $11 to $13 per square foot, and is priced lower than the average for Brooklyn.

Real estate brokers for the area also indicate that demand for industrial space has increased considerably in East New York within the last five years, and vacancy rates are generally low, near four to five percent. Companies are now considering the area for both industrial and storage space needs, whereas five years ago crime and area conditions would have dissuaded most potential tenants. Ten years ago vacancy rates reached upwards to 30 percent and rental rates were low at $5 to $6 per square foot. The area is also characterized as an emerging market and tertiary to more established industrial areas such as Flatlands/Fairfield, Southwest Brooklyn, Greenpoint/Williamsburg, and the Brooklyn Navy Yard.

Businesses and Institutions Potentially Subject To Indirect Displacement Due To Increased Rent

Businesses most vulnerable to indirect displacement due to increased rent are typically those businesses whose uses are less compatible with the economic trend that is creating upward rent pressures in the study area, i.e., those businesses that tend not to benefit directly (in terms of increased business activity) from the market forces generating the increases in rent. For example, if a neighborhood is becoming a more desirable place to live, uses that are less compatible with residential conditions (such as manufacturing) would be less able to afford increases in rent due to increases in property values than a neighborhood service use, such as a restaurant, which could see increased business activity from the increased residential presence. Industrial businesses such as manufacturers and distributors historically have a borough- and citywide customer base, and therefore, demand for these sectors'

services is a function of citywide economic trends. If the demand for borough- or City-based industrial services drops, as has been the trend, these local industrial businesses would be less able to afford increases in rents, which are driven largely by local real estate trends. Thus, the businesses that would be most vulnerable to displacement would be those least likely to benefit from the increased population and consumer spending generated by the Proposed Actions; i.e., the industrial businesses whose customers are not primarily located in the study areas' neighborhoods.

The same general principle applies to institutional uses. Institutional uses that are most vulnerable to indirect displacement are those less compatible with economic trends. For example, a privately operated health center or community development group operating out of a rented storefront on a commercial corridor may experience indirect displacement pressures if demand for retail uses along the corridor increases. Recognizing that the market is changing, landlords may increase rental rates knowing that they can attract retail tenants who will pay higher rents than institutional uses. In addition, certain commercial uses within sectors that are generally compatible with economic trends may be vulnerable if their product is directed towards a demographic market that is dwindling in the area. For example, although neighborhood services and convenience goods stores generally benefit from increases in residential population, if a store targets a particular ethnic group whose numbers are decreasing within the study area even as total population is increasing, then that store may be vulnerable to displacement due to increases in rent.

In contrast, retail as a business category is less susceptible to displacement in the study areas because retail rents are more directly tied to local economic conditions. The rents for retail space in the study areas are driven largely by potential sales, and those sales are a product of the demand generated by the local customer base. Therefore, if retail rents were to increase due in part to an increased demand for retail services in the local area, those increased sales would help cover the increased rents. However, as described above, retail businesses that cater to a particular ethnic group whose numbers are not increasing in concert with prevailing demographic changes could be susceptible to indirect displacement because they would be less likely to capture additional sales from the growing population.

The Future without the Proposed Actions (No-Action Condition)

This section describes the socioeconomic conditions that would be expected in both the primary and secondary study areas in the future without the Proposed Actions. For analysis purposes, the analysis year is 2030. In the 2030 future without the Proposed Actions, it is expected that the current land use trends and general development patterns will continue in both the primary and secondary study areas. These trends and patterns are characterized by a mix of uses, including residential, commercial, industrial, and storage uses. Both the primary and secondary study areas are anticipated to experience new development by 2030 due to general background growth and planned or approved developments, including new construction and building conversions and enlargements. Most of this growth is expected to consist of further development of residential and commercial space.

Primary Study Area

As detailed in Chapter 2, "Land Use, Zoning and Public Policy," 27 of the 80 projected development sites are expected to be redeveloped, or undergo conversion, in the future without the Proposed Actions under existing zoning. No-Action development on these 27 projected development sites would result in a net increase of 325,389 sf of residential floor area (428 dwelling units [DU]), 323,263 sf of commercial uses, 79,138 sf of community facility uses, and 81,175 sf of industrial uses on the projected development sites. These developments are discussed and summarized in Table 2-4 of Chapter 2. No changes are anticipated on the remaining 53 projected development sites in the future without the Proposed Actions.

In addition to the as-of-right development anticipated on some of the projected development sites in the RWCDS, two other sites in the primary study area are anticipated to be developed in the future without the Proposed Actions, which would introduce a new 69,400 sf mixed-use, 60-unit affordable housing development with ground floor retail at 2501 Pitkin Avenue and a smaller mixed-use affordable building at 2746 Fulton Street. Table 3-36 provides a summary of the net incremental development and associated residents and workers that are anticipated to be added to both the primary and secondary study areas in the No-Action condition as compared to existing conditions.

TABLE 3-36
Incremental Development in Primary and Secondary Study Areas, 2030 No-Action Condition

Use	Primary Study Area	Secondary Study Area	Total
Residential	385,932 sf (488 DU)	997,208 sf (975 DU)	1,383,140 sf (1,463 DU)
Commercial	333,345 sf	83,297 sf	416,642 sf
Industrial	81,175 sf	0 sf	81,175 sf
Community Facility	79,138 sf	147,704 sf	226,842 sf
Total	879,590 sf	1,228,209 sf	2,107,799 sf
Residents	1,459 residents	2,979 residents	4,438 residents
Workers	1,123 workers	559 workers	1,682 workers

Notes: Commercial use includes retail, office, hotel, auto-related, and storage space.
Where applicable, the estimated number of residents and workers is based on previously conducted environmental review documents, including 2013 *Pitkin Avenue Rezoning EAS*, 2013 *Cypress Hills Senior Housing EAS*, and 2014 *Henry Apartments EAS*. The estimated number of residents assumes 2.99 persons per DU for residential units in Brooklyn CD 5 and 2.75 persons per DU for residential units in Brooklyn CD 16. Estimate of workers based on standard rates of one employee per 250 sf of office, three employees per 1,000 sf of retail/supermarket/restaurant uses, one employee per 25 DU, one employee per 2.67 hotel rooms (and 400 sf per hotel room), one employee per 1,000 sf of auto-related and industrial uses, one employee per 15,000 sf of warehouse uses, three employees per 1,000 sf of all other community facility uses, and one employee per 50 parking spaces.
Source: DCP.

Secondary Study Area

As detailed in Chapter 2, there are six known and anticipated developments expected to occur within a ½-mile radius of the primary study area in the future without the Proposed Actions. These six developments would result in a net increase of 975 dwelling units, all of which would be affordable, 83,297 sf of retail, and 147,704 sf of community facility uses. In total, No-Action development is estimated to add approximately 1.4 million square feet of residential (1,463 DU), approximately 416,642 sf of commercial, 81,175 sf of industrial and approximately 226,842 sf of community facility space and 4,438 residents and 1,682 workers to the secondary study area as compared to existing conditions.

The Future with the Proposed Actions (With-Action Condition)

According to the *CEQR Technical Manual*, indirect business/institutional displacement may result from an action that would markedly increase property values and thus increase rents throughout the study area, making it difficult for some categories of businesses to remain in the area leading to changes to land use or population patterns or community character. Pursuant to the *CEQR Technical Manual,* such displacement can be of concern, when an action would introduce trends that would make it more difficult for nearby existing businesses that provide products or services essential to the local economy or that are targeted to be preserved in their current locations under adopted public plans to remain in the area. A proposed action could introduce such a trend by causing a marked increase in rents and property values in the area (such as by stimulating the demand for more lucrative land uses and thus redevelopment or by increasing the demand for new commercial or retail services with which the existing businesses cannot compete). Additionally, it could directly displace businesses or residents who serve as suppliers or the customer base for nearby businesses, affecting their viability or altering the desirability of their existing location. Finally, it could create enough new retail space to draw substantial sales from existing businesses (i.e., a market saturation impact).

As described above, businesses most vulnerable to indirect displacement due to increased rent are typically those businesses whose uses are less compatible with the economic trend that is creating upward rent pressures in the study area, i.e., those businesses that tend not to benefit directly (in terms of increased business activity) from the market forces generating the increases in rent.

The Proposed Actions are expected to facilitate mixed-use development to a greater extent than would occur in the future without the Proposed Actions. As detailed in Chapter 1, "Project Description," the Proposed Actions and associated RWCDS would result in a net increase in residential, commercial, and community facility uses distributed throughout the 190-block rezoning area when compared to conditions in the future without the Proposed Actions.

This includes a net increase of approximately 6,312 DUs, including a combination of affordable and market-rate units, approximately 859,431 sf of commercial space, and approximately 457,870 sf of community facility space on 80 projected development sites distributed throughout the primary study area. The total difference between the built square footage in the No-Action and With-Action conditions is more than 7.3 million square feet.

While the Proposed Actions would facilitate substantial redevelopment within the primary study area, none of the anticipated uses would be considered new economic activity for the area. As discussed in Chapter 2, "Land Use, Zoning, and Public Policy," the primary study area already has an established mixed-use character with residential, commercial, community facility, and industrial markets. The additional residential, commercial, and community facility uses would be consistent with the existing mix of uses in the study area and would not represent new uses that would substantially alter existing economic patterns.

The Proposed Actions would encourage compatible land uses that are expected to strengthen existing commercial and industrial areas and provide direction and flexibility for growth in areas with long-term potential. The Proposed Actions would support the Sustainable Communities East New York (SCENY) study by facilitating the incremental development of a significant number of affordable housing units, activating the streetscape through the establishment of a Special Enhanced Commercial (EC) District along select corridors and the mapping of commercial overlays, improving the streetscape through tree planting required for new construction pursuant to the Zoning Resolution of the City of New York, introducing a net 859,431 sf of commercial uses, including local retail, restaurant, supermarket, and office uses and a net 457,870 sf of community facility uses that are expected to generate approximately 3,710 new jobs, under the RWCDS. The Proposed Actions would not introduce new uses or economic activities to the study area that could change existing economic trends, and the Proposed Actions would not add to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to alter existing economic patterns. Additionally, as detailed above in the preliminary assessment of direct business displacement, businesses that could be directly displaced by the Proposed Actions do not provide products or services essential to the local economy that would no longer be available to local residents and businesses due to the difficulty of relocating, nor are they the subject of regulations or publicly adopted plans to preserve, enhance, or protect them.

As discussed above, the Proposed Actions could potentially directly displace 86 businesses and two institutions, employing an estimated 584 workers, on 42 of the 80 projected development sites in the primary study area by 2030. The potentially directly displaced workers account for approximately 13 percent of the total employment within the primary study area, and about four percent of the employment within the secondary study area (see Tables 3-2, 3-3 and 3-5). Such potential displacement, however, is expected to occur over an approximately 15-year period on a site-by-site basis and would be subject to lease terms and agreements between private firms and property owners existing at the time of redevelopment. The estimates of direct displacement are based on current business conditions at the 80 projected development sites and do not account for any changes in business activities that would occur irrespective of the Proposed Actions by 2030.

These 88 firms/institutions that could be potentially displaced conduct a variety of business activities including automotive and transportation-related services, manufacturing, retail, wholesale, accommodation and food service, construction, professional and technical services, health care and social assistance services, fitness-related uses, and personal services (i.e. drycleaners, masseuses, etc.). The majority of establishments are small operations employing 15 workers or less scattered across different sectors. None of the potentially displaced businesses provide substantial direct support to other businesses in the study area, nor do they bring substantial numbers of people to the area that form a customer base for local businesses. Further, patronage at industrial, wholesale, construction and automotive-related businesses is likely to be infrequent and their customer base relatively small. These types of firms do not typically draw large volumes of customers to their locations, thereby creating a large customer base for surrounding businesses. Many of the retail and food service businesses on the projected development sites are small and likely not large enough to draw a significant volume of customers. The goods and services offered by potentially displaced uses can be found elsewhere within the study area. In many cases displaced businesses would be able to relocate to new retail space being created in the study area. In addition, local businesses do not rely on the potentially displaced businesses' products and services for day-to-day needs. Therefore, the displacement of these service businesses would not have an adverse effect on the remaining businesses or consumers in the study area.

The Proposed Actions would directly displace an estimated 158 residents, and although it could potentially directly displace up to 584 employees, future total employment in the study area—accounting for new employment brought to the area under the Proposed Actions, continued growth in industry sectors such as health and social services, and retail, and continued decline in manufacturing and wholesale—is still anticipated to be higher in the future with the Proposed Actions compared to conditions in the future without the Proposed Actions. Employment resulting from the net development under the Proposed Actions, or the incremental difference in total development between the future conditions without and with the Proposed Actions, is estimated to be approximately 3,710 employees. It is important to note that this estimate is based only on known or anticipated future commercial developments. It does not account for likely continued decreases in manufacturing and wholesale employment, or continued growth in other employment sectors. As noted above, it is likely that manufacturing employment would continue to decrease in the future without the Proposed Actions.

It is the intent of the Proposed Actions to balance preservation and growth in the primary study area. The proposed zoning changes are intended to promote affordable housing development, encourage economic development, create pedestrian-friendly streets, and introduce new community resources to foster a more equitable East New York. The new land uses that would result in the future with the Proposed Actions are foreseen as a continuation of current established land use trends in a manner sensitive to the surrounding land uses and built form. The Proposed Actions would follow rather than induce trends away from industrial and automotive-related uses, which are underway in the study area and City as a whole. The area would retain its mixed-use character and create opportunities for new investment on underutilized sites. The Proposed Actions include increases in permitted density along selected corridors to expand opportunities for housing, including significant amounts of protected affordable housing, as well as mapping commercial overlays along streets where existing ground-floor retail uses exist, in order to provide support for existing retail uses and encourage the growth of local-scale commercial activity to support anticipated residential development in the area.

As discussed previously, the proposed retail space is expected to be primarily local retail that would largely support the local resident and worker populations and strengthen the existing commercial corridors of Fulton Street, and Atlantic, Pitkin, and Liberty Avenues. It is not anticipated to be destination retail, which would draw consumers from a larger area. The new commercial uses would be dispersed throughout the primary study area on 60 of the 80 projected development sites, and the types of commercial uses expected under the Proposed Actions—primarily neighborhood goods and services—would not be new to the study area. The expanded commercial space would provide local goods and services for the new population that would move into the area under the Proposed Actions. Therefore, as the commercial retail uses would serve the added demand from the future new resident populations, and there are established existing retail corridors throughout the study area, it is not expected that the Proposed Actions would result in significant adverse impacts. Moreover, the added income to the area would be expected to support the existing retail corridors in addition to the new establishments introduced under the Proposed Actions. The City's Department of Small Business Services has committed to work with existing business and local organizations to help them meet increased retail demand in the area.

There is already a trend towards a conversion of the area's manufacturing uses to other uses, including the conversion of industrial lofts on Atlantic Avenue to warehousing/self-storage uses. The potentially vulnerable businesses in manufacturing zoned areas would not meet the criteria for a significant adverse displacement impact; i.e., collectively, they are not of substantial economic value to the City; they can largely be relocated elsewhere in the City; they are not subject to regulations or publicly adopted plans to preserve, enhance, or protect them. Therefore, while the Proposed Actions could lead to some indirect business displacement within the above-identified manufacturing zoned districts, this impact would not be considered significant or adverse.

The Proposed Actions would also establish mixed-use zoning districts in areas that have a concentration of industrial/manufacturing businesses, permitting a variety of uses throughout these areas such as retail, office, and other commercial anchors, residential uses, and certain semi- and light-industrial uses. Manufacturing areas would be maintained in areas with substantial amounts of industrial uses, including portions of Ocean Hill along Fulton Street; portions of East New York along Liberty and Atlantic Avenues; and portions of Cypress Hills along Atlantic Avenue and Dinsmore Place, thereby maintaining the existing industrial uses in these areas as conforming land uses, while also permitting industrial businesses to expand in these areas.

While predominately industrial in nature, residential and several mixed-use residential/commercial buildings are located in the East New York IBZ. The southernmost stretch of Sutter Avenue has a variety of retail, nail salons, and restaurants. As detailed in Chapter 2, the Proposed Actions would facilitate the development of industrial uses in appropriate locations adjacent to the IBZ, which would continue to accommodate industrial uses adjacent to a similar mix of uses as currently present along its borders.

Under No-Action conditions, it is anticipated that approximately 333,345 sf of commercial space would be added to the primary study area, an increase of approximately 14 percent as compared to existing conditions (refer to Table 3-37). By 2030, the RWCDS associated with the Proposed Actions would introduce a net increase of approximately 557,290 sf of commercial space on the projected development sites, resulting in an approximately 21 percent increase in commercial space in the primary study area as compared to No-Action conditions. The Proposed Actions would require in certain areas along established retail shopping corridors that only non-residential space such as stores or community facilities be provided on ground floors of new buildings, ensuring that the area would have a robust supply of retail and community facility space. The addition of this new retail and community facility space would serve to increase the overall supply of such space in the study area and, thus, limit rent pressures on existing business and community facility occupants.

TABLE 3-37
Comparison of Existing, No-Action, and With-Action Commercial Square Footages in the Primary Study Area

	Existing	RWCDS No-Action	RWCDS With-Action	Percent Increase between No-Action and With-Action Condition
Commercial*	2,304,200 sf	2,637,545 sf	3,194,835 sf	21.1%

Notes: Existing data from 2014 PLUTO; RWCDS assumptions detailed in Chapter 1, "Project Description."
* Commercial space includes retail, office, auto-related, hotel and storage space.

Although this would be a substantial amount of new commercial space in the primary study area, it would occur in conjunction with the introduction of a large amount of new residential space (a net increase of approximately 6,312 dwelling units under With-Action conditions), creating a large consumer base requiring local retail, restaurants, services, and office space. The commercial space is expected to complement, rather than disrupt the already prominent retail presence on Fulton Street and expand commercial development on Atlantic, Pennsylvania, and Pitkin Avenues. Given the higher residential development density and strong residential market, there would be local demand for neighborhood retail and services necessary to maintain strong retail presence along these corridors. As such, the Proposed Actions are not expected to alter or accelerate economic activity in the study area so as to increase commercial rents and indirectly displace existing businesses.

As discussed above, the Proposed Actions would not result in significant adverse impacts due to direct or indirect residential or business displacement and the Proposed Actions are not expected to indirectly displace a substantial number of residents or workers. Although the residents and employees of the directly displaced sites form a portion of the customer base of neighborhood service establishments (i.e. restaurants, delis, retail, etc.), the Proposed Actions would create a sizable new customer base for existing and planned retail and services businesses with the influx of an estimated 18,801 net residents. Furthermore, residents living in the newly constructed market-rate units are expected to have higher incomes, on average, than the existing population, increasing the spending power that would be available for capture by existing and proposed retail and service establishments.