CHAPTER 3: SOCIOECONOMIC CONDITIONS

A. INTRODUCTION

A socioeconomic analysis is conducted to identify whether a proposed action would directly or indirectly change the population, housing, and economic activity of an area. Changes that would affect land use patterns, low-income populations, the availability of goods and services, or economic investment that alters the socioeconomic character of an area are disclosed in this chapter.

As described in the *CEQR Technical Manual*, the analysis separates socioeconomic conditions of area residents from businesses despite the potential for a proposed action to impact both groups in similar ways. Projects may have the ability to directly displace residents or businesses, or indirectly displace these groups by altering one or more of the forces that drive the socioeconomic conditions of an area. The purpose of the socioeconomic analysis is to disclose the potential impacts to area residents and businesses resulting from a proposed action and to identify whether these impacts would be considered significant compared to a future condition without the proposed action.

B. PRINCIPAL CONCLUSIONS

Pursuant to *CEQR Technical Manual* guidance, preliminary analyses were conducted for direct residential displacement, direct business and institutional displacement, indirect residential displacement, indirect business and institutional displacement, and adverse effects on specific industries. As the Proposed Actions would not exceed the analysis threshold of 500 displaced residents, a direct residential displacement analysis was not conducted and significant adverse impacts due to residential displacement are not anticipated. A preliminary assessment of the four remaining areas of consideration were conducted to determine whether detailed analyses were necessary, in conformance with *CEQR Technical Manual* guidance. Following the preliminary assessment, significant adverse impacts related to direct business and institutional displacement, indirect business and institutional displacement, and adverse effects on specific industries were ruled out.

However, based on the preliminary assessment, significant adverse impacts as a result of indirect residential displacement could not be ruled out. Therefore, a detailed assessment of indirect residential displacement was conducted in accordance with *CEQR Technical Manual* guidance and framed in the context of existing conditions and evaluations of the No-Action and With-Action conditions in the 2030 Build Year, including any population and employment changes anticipated to take place by the analysis year of the Proposed Actions.

DIRECT RESIDENTIAL DISPLACEMENT

The Proposed Actions would not result in significant adverse impacts due to direct residential displacement. As described in the *CEQR Technical Manual*, direct displacement of fewer than 500 residents would not typically be expected to alter the socioeconomic characteristics of a neighborhood. The Proposed Actions have the potential to directly displace up to five dwelling units housing an estimated 13 residents in the Project Area. The estimated number of directly displaced

residents comprises less than 0.1 percent of the total Study Area population. Following an initial review of the Proposed Actions and anticipated potential direct residential displacement, a preliminary analysis was not warranted.

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

A preliminary assessment of direct business and institutional displacement determined that the Proposed Actions would not create significant adverse impacts. The *CEQR Technical Manual* states that the direct displacement of fewer than 100 workers is not likely to cause significant adverse impacts. The Proposed Actions could potentially directly displace up to 30 businesses employing 244 employees located at 14 of the Projected Development Sites. As the number of workers subject to potential direct displacement from the Proposed Actions exceeds the 100-worker threshold, a preliminary assessment of direct business and institutional displacement was conducted.

The Proposed Actions are likely to potentially directly displace 30 businesses representing retail, grocery, car repair, banking, and other services. Approximately 244 employees at these 30 businesses are likely to be displaced, representing approximately five percent of employees in the Study Area and approximately 0.26 percent of employees in Staten Island. Businesses and institutions likely to experience direct displacement would be able to relocate to properties within the Study Area and relevant trade areas. In addition, local residents and businesses would continue to access similar goods and services from businesses in the Study Area and relevant trade areas.

One of the potentially-displaced businesses—Western Beef on Projected Development Site 5—is a large-format neighborhood grocery store, occupying roughly 30,000 sf, which is located within the boundaries of the City's Food Retail Expansion to Support Health (FRESH) Program. The FRESH Program provides zoning and/or financial incentives to help promote the establishment and retention of neighborhood grocery stores. As a neighborhood grocery store within the boundaries of the FRESH Program, Western Beef is the subject of a plan or program to preserve, enhance, or protect it, but has not benefitted from FRESH incentives. While the potential direct displacement of this supermarket would adversely affect the availability of large-format grocery stores within the immediate Project Area, the Proposed Actions are intended to create opportunities for new commercial and mixed-use development, in addition to new residential uses, by mapping C2-3 and C2-4 commercial overlays. The Proposed Actions and associated RWCDS are expected to result in an incremental increase over the No-Action Condition of approximately 275,348 square feet (sf) of commercial uses, including retail, office, and restaurant space. Furthermore, there would continue to be other grocery stores within a reasonable area from which residents could shop, including a Key Food Supermarket at 155 Bay Street and other smaller grocers and markets within the Study Area. Therefore, the potential direct displacement of Western Beef grocery store is not expected to result in significant adverse socioeconomic impacts pursuant to *CEQR Technical Manual* guidance. None of the other 29 businesses are the subject of regulations or publicly adopted plans aimed at preserving, enhancing, or otherwise protecting them in their current location. Furthermore, potentially displaced businesses and industries are not uniquely tied to or dependent upon their current location.

While the Proposed Actions are likely to potentially directly displace 30 businesses and 244 employees, they are anticipated to create a net increase of 1,312 jobs at the Projected Development Sites within the Project Area over the No-Action Condition. The Proposed Actions are consistent with

and help advance the goals and community planning efforts presented by the Bay Street Corridor Neighborhood Planning Study. The Proposed Actions also help accomplish the mission of the North Shore 2030 Plan by encouraging the creation of quality jobs and workplaces through new development.

The preliminary assessment of direct business and institutional displacement determined that the Proposed Actions would not create significant adverse impacts and a detailed analysis was not conducted.

INDIRECT RESIDENTIAL DISPLACEMENT

A detailed assessment of indirect residential displacement found that the Proposed Actions are not expected to create significant adverse impacts. The *CEQR Technical Manual* calls for a detailed assessment of indirect residential displacement if the preliminary assessment shows that the project would introduce a population with higher average incomes compared to the average incomes of the existing population and would increase the Study Area population by more than 10 percent.

The Proposed Actions are anticipated to introduce 2,557 new residential dwelling units into the Study Area as compared to the No-Action, 25 to 30 percent of which would be permanently affordable pursuant to the Mandatory Inclusionary Housing (MIH) program. The 2,557 dwelling units would introduce approximately 6,571 new residents, an approximately 18 percent increase in the Study Area population. Therefore, a detailed assessment of indirect residential displacement was conducted.

The detailed assessment of indirect residential displacement is used to identify those populations that may be vulnerable to displacement resulting from the Proposed Actions. The *CEQR Technical Manual* defines indirect residential displacement as the introduction or acceleration of a trend that places upward pressure on rents, making it difficult for residents living in poverty or with low incomes to remain in the study area.

The Proposed Actions are not anticipated to introduce a new trend that places upward pressure on rents; based on market research detailed below, this trend is already being observed in the Study Area. In the current real estate market, the Study Area is experiencing a gradual increase in median and average rents and home values. From 2015 to 2016, the North Shore of Staten Island also saw an increase in the rent-to-income burden on residents.

According to local brokers and developers, the residential market in the Study Area has become segmented between demand for new, high-end residential buildings on the waterfront and older residential units located further inland. Market demand for housing from residents currently living outside of the borough has been geared towards new, high-end buildings, with little demand for older units in one- to four-family row homes and smaller apartment buildings where low-income residents currently reside. With housing available to current residents, there has been minimal upward pressure on older rental housing stock. At the same time, local developers indicate that there is not enough residential demand in the Study Area to support new multi-family development without public subsidy.

It is likely any new demand would be accommodated in the near-term through the existing housing supply and modest infill townhouse development marketed toward homeowners. In the longer term, anticipated population growth is expected to increase demand for housing and encourage residential development without public subsidy. However, it is likely that new investment within the study area would be constrained by the existing low density and manufacturing zoning, and limited new housing opportunities would not be expected to accommodate the needs of the North Shore's diverse population, leading to increased demand and potentially higher rents for unprotected rental units within the study area under the No-Action Condition.

The detailed assessment of indirect residential displacement found that an estimated 1,753 low-income residents within the Study Area live in unprotected rental housing. Low-income residents living in unprotected rental housing make up slightly less than seven percent of the Study Area population, and represent the population potentially vulnerable to indirect residential displacement as a result of the Proposed Actions.

A major goal of the Proposed Actions is to mitigate the effects of rising market rents and address unmet demand for new affordable housing in the Study Area. In line with the City's MIH policy, an estimated 25 to 30 percent of new housing units would be made permanently affordable within the Study Area. The impact of additional unregulated housing resulting from the Proposed Actions would be eased by the provision of affordable housing for a preexisting population vulnerable to indirect residential displacement. In the 2030 With-Action Condition, the Bay Street Corridor and surrounding neighborhoods are expected to remain primarily residential communities where many workers commute to Manhattan. Similar to Existing Conditions, moderate income homeowners would be driving the greatest demand for housing.

Although the Proposed Actions could introduce a significant amount of market-rate housing into the Project Area at a later date, most of the projected developments would be larger mixed-use residential and commercial developments at higher densities 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. The Proposed Actions would create new opportunities for multifamily rental housing, increasing the total supply and diversity of the existing housing stock. This is expected to relieve potential upward rent pressure on the existing supply of unprotected housing in the study area since, the Study Area is currently experiencing increasing rents and a declining degree of affordability for area residents, which would be expected to continue under the No-Action Condition. The Proposed Actions could potentially relieve the indirect residential displacement pressure that unregulated units in small residential buildings would experience under the No-Action condition.

Based on the detailed assessment of indirect residential displacement, the Proposed Actions are not anticipated to have significant adverse impacts on the Study Area.

INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

A preliminary assessment of indirect business and institutional displacement found that the Proposed Actions are not likely to create significant adverse impacts. The *CEQR Technical Manual* calls for a preliminary assessment of indirect business and institutional displacement if a project

would result in substantial new development that is markedly different from existing uses or creates more than 200,000 sf for commercial development. The Proposed Actions are anticipated to create an estimated 618,583 sf of commercial space at the Projected Development Sites, 275,348 sf more than in the No-Action Condition. Therefore, a preliminary assessment of indirect business and institutional displacement was conducted.

Based on a review of real estate market data and conversations with local brokers, the Proposed Actions would not introduce or exacerbate a trend that would lead to significant indirect business and institutional displacement. The Proposed Actions would add a substantial amount of commercial space to the Projected Development Sites, but this new development would be consistent with recent mixed-use development in the Study Area. The Proposed Actions would establish commercial overlay districts that align with land use patterns in the St. George and Stapleton Special Purpose Districts within the Study Area. Based on conversations with local brokers and staff from the Staten Island Chamber of Commerce, higher density zoning at the Projected Development Sites are not likely to place upward pressure on commercial rents or indirectly displace businesses as it is expected that incoming businesses would utilize available space in the new developments or preexisting commercial vacancies instead of displacing current businesses and institutions.

The Proposed Actions are likely to potentially directly displace 30 businesses and 244 workers in the Project Area. This potential direct displacement is not expected to have adverse socioeconomic impacts through the indirect displacement of businesses and institutions because directly displaced businesses offer products and services available elsewhere within the Study Area. Further, directly displaced workers comprise only a small number of employees in the Study Area, or approximately five percent of total Study Area employees.

A preliminary assessment of retail market saturation and indirect business displacement was not warranted. The *CEQR Technical Manual* requires a preliminary assessment of retail saturation effects if the proposed project is anticipated to add 200,000 sf or more of retail space at a single development site. The Proposed Actions would increase the retail area across all 30 Projected Development Sites by 36,461 sf, substantially less than the 200,000 sf threshold for analysis per *CEQR Technical Manual* guidance.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

A preliminary assessment of adverse effects on specific industries determined that the Proposed Actions would not create significant adverse impacts. The *CEQR Technical Manual* requires a preliminary assessment of adverse industry effects if the proposed actions involve a regulatory change that can affect businesses and the socioeconomic conditions within a neighborhood. The Proposed Actions include a series of zoning map and text amendments in the Project Area, leading to potential direct business and residential displacement; therefore, a preliminary assessment was conducted.

The preliminary assessment concluded that the Proposed Actions and resulting direct displacement of 30 businesses in the Project Area are unlikely to affect business conditions in an industry or category of business. The 30 businesses likely to experience potential direct displacement employ 244 workers, which account for approximately five percent of Study Area employees and less than 0.3 percent of employees in Staten Island. As such, the Proposed Actions are not likely to substantially

reduce employment or impact the economic viability of an industry or category of business within or surrounding the Study Area. In addition, the Proposed Actions would not interfere with citywide policies or regulatory mechanisms, such as Industrial Business Zones.

C. METHODOLOGY

A socioeconomic analysis is conducted to identify whether a proposed action would directly or indirectly change the population, housing, and economic activity of an area. According to the *CEQR Technical Manual,* a socioeconomic assessment should be conducted if a project may be reasonably expected to create socioeconomic changes within the area affected by the project that would not be expected to occur without the project. Socioeconomic changes would be disclosed should they be deemed to affect land use patterns, low-income populations, the availability of goods and services, or economic investment that alters the socioeconomic character of an area. The analysis separates socioeconomic conditions of residents from businesses despite the potential for a proposed action to impact both groups in similar ways. Projects may have the ability to directly displace residents or businesses or indirectly displace these groups by altering one or more of the forces that drive the socioeconomic conditions of an area.

Direct displacement results in the involuntary displacement of residents and/or workers from a site or sites affected by a proposed action. For an area-wide rezoning, specific sites and types of future development is less certain; therefore, sites are analyzed based on conservative assumptions of where likely redevelopment could occur, and whether existing businesses and workers on those sites would be potentially directly displaced. The Proposed Actions include zoning map and text amendments, as well as the disposition of three City-owned properties and City Map change to facilitate new residential, commercial, and mixed-use development in the Project Area.

To develop a reasonable, conservative estimate of future growth, development sites were divided into two categories: Projected Development Sites and Potential Development Sites. Projected Development Sites were identified as properties more likely to be developed within the 12-year analysis period as well as the two Stapleton Waterfront sites identified for building bulk modifications and three City-owned properties identified for disposition. Potential Development Sites were considered less likely to be developed by the 2030 Build Year. Based on these criteria, a total of 53 development sites (30 Projected Development Sites and 23 Potential Development Sites) were identified in the Project Area. Per *CEQR Technical Manual* guidance, the assessment of socioeconomic conditions, which is a density-related analysis, will focus on the anticipated development of the 30 Projected Development Sites.

Indirect displacement is the involuntary displacement of residents, businesses, or employees resulting from a change in socioeconomic conditions as a result of the proposed project. The assessment of indirect displacement identifies the groups of residents, businesses, or employees that would be potentially affected as a result of the proposed action. Indirect displacement may be caused by the introduction of a concentration of higher-income housing resulting from a proposed project or the addition of higher-paying commercial tenants caused by a successful office project in the area or a new residential use.

A proposed project may also have the potential to impact the operation of a major industry or commercial operations in the city even if it does not directly displace a business, commercial operation, or industry.

DETERMINING WHETHER A SOCIOECONOMIC ASSESSMENT IS APPROPRIATE

According to the *CEQR Technical Manual*, a socioeconomic assessment is required if a proposed action is reasonably expected to create socioeconomic changes within an area affected by the action that would not be expected to occur without the action. The *CEQR Technical Manual* identifies the following specific circumstances that would require a socioeconomic assessment:

DIRECT RESIDENTIAL DISPLACEMENT

A socioeconomic assessment is appropriate if the project would directly displace a residential population to the extent that the socioeconomic character of the neighborhood would be substantially altered. Pursuant to the *CEQR Technical Manual*, displacement of less than 500 residents would not typically be expected to alter the socioeconomic character of a neighborhood.

The Proposed Actions are expected to displace up to 13 residents, well below the 500-resident threshold, and therefore, are not expected to result in significant adverse impacts due to direct residential displacement. This chapter will describe the number of residential units and estimated number of residents likely to be potentially directly displaced by the Proposed Actions, and will determine the amount of displacement relative to the Study Area population.

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

A socioeconomic assessment is appropriate if the project would directly displace more than 100 employees, or a business that is unusually important because: 1) its products or services are uniquely dependent on its location; 2) based on its type or location, is the subject of other regulations or publicly adopted plans aimed at its preservation; or 3) it serves a population uniquely dependent on its services in its present location.

The Proposed Actions are likely to directly displace more than 100 employees in the Project Area. Therefore, an assessment of direct business and institutional displacement was conducted and includes a discussion on the number of employees and types of businesses that would be directly displaced by the Proposed Actions. This information has been used to address the following *CEQR* criteria in order to determine the potential for significant adverse impacts:

> (1) whether the businesses to be displaced provide products or services essential to the local economy that would no longer be available in its "trade area" to local residents or businesses due to the difficulty of either relocating the businesses or establishing new, comparable businesses; and
>
> (2) whether a category of businesses is the subject of other regulations or publicly adopted plans to preserve, enhance, or otherwise protect it.

INDIRECT RESIDENTIAL AND BUSINESS DISPLACEMENT

A socioeconomic assessment is appropriate if the project would 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.

Compared to the No-Action Condition, the Proposed Actions would likely result in a net increase of 2,557 dwelling units (2,553,585 sf of residential use) and 6,571 residents across the Projected Development Sites. Therefore, a preliminary assessment of indirect residential displacement was conducted to determine whether the Proposed Actions would introduce or exacerbate trends that displace a vulnerable resident population. Based on the outcomes of this assessment, a detailed analysis of demographic and housing trends was conducted and provided in Section E.

Compared to the No-Action Condition, the Proposed Actions would likely result in a net increase of 275,348 sf of commercial use and 1,312 workers across the Projected Development Sites. Therefore, a preliminary assessment of indirect business and institutional displacement was also conducted to evaluate whether the Proposed Actions would introduce trends that make it difficult for businesses that are essential to the local economy to remain in the Study Area.

INDIRECT BUSINESS DISPLACEMENT DUE TO RETAIL MARKET SATURATION

A socioeconomic assessment is appropriate if the project would 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. Projects resulting in less than 200,000 square feet of retail on a single development site would not typically result in socioeconomic impacts.

An assessment of the indirect business displacement due to market saturation was not warranted as the Proposed Actions are not expected to add to, or create, a retail concentration that may draw a substantial amount of sales from existing businesses within the Study Area to the extent that certain categories of business close and vacancies in the area increase, thus resulting in a potential for disinvestment on local retail streets. The Proposed Actions and associated RWCDS are expected to increase local retail uses by 36,461 sf as compared to the No-Action Condition. This local retail space would not be concentrated on a single site, but would be distributed among the 30 Projected Development Sites in the Project Area. As established in the *CEQR Technical Manual*, 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 adverse socioeconomic impacts.

ADVERSE IMPACTS ON SPECIFIC INDUSTRIES

A socioeconomic assessment is appropriate if the project is expected to affect conditions within a specific industry. A citywide regulatory change that would adversely affect the economic and operational conditions of certain types of businesses or processes may affect socioeconomic conditions in a neighborhood:

(1) if a substantial number of residents or workers depend on the goods or services provided by the affected businesses; or

(2) if it would result in the loss or substantial diminishment of a particularly important product or service within the city.

The Proposed Actions were analyzed for potential adverse effects on specific industries to determine whether they would impact the operation and viability of a specific industry non-related to the project. A preliminary analysis evaluated whether:

(1) the Proposed Actions have the potential to affect business conditions in any category of businesses within or outside the Study Area; and

(2) the Proposed Actions would substantially reduce employment or impair the economic viability in the industry or category of business.

STUDY AREA DEFINITION

The socioeconomic assessment seeks to identify the Proposed Actions' potential to change the socioeconomic character relative to the study area population. As described in the *CEQR Technical Manual*, the socioeconomic study area boundaries include the Project Area and an adjacent area within 400 feet, 0.25-mile, or 0.5-mile, depending on the size of the project and area characteristics.

The Proposed Actions would likely increase the residential population by 6,571 residents compared to the No-Action Condition. This With-Action net population increase exceeds five percent of the Study Area population within a 0.25-mile of the Project Area. Therefore, pursuant to the *CEQR Technical Manual*, the Study Area was expanded to a 0.5-mile, consistent with the Study Area boundaries identified in the Chapter 2, "Land Use, Zoning, and Public Policy. Since the socioeconomic effect of the Proposed Actions on the area surrounding Disposition Sites 1, 2, and 3 would likely be significantly less widespread due to the Sites' smaller area, a 400-foot radius study area was identified for each Disposition Site, consistent with the Study Area boundary used in Chapter 2. Collectively, the Study Area for the Proposed Actions includes the land area within a half-mile of the Bay Street Corridor and the Canal Street Corridor, as well as the area within a 400-foot radius of each of the three Disposition Sites (see Figure 3-1).

For the purposes of the socioeconomic analysis, the 0.5-mile Study Area boundary was adjusted to match the census tracts that most closely define the 0.5-mile perimeter surrounding the Project Area (see Figure 3-1). The Census data provides demographic and real estate information that reflects the characteristics of the 0.5-mile Study Area.

DATA SOURCES

The socioeconomic analysis draws upon data from the U.S. Census Bureau, New York City Department of Finance (DOF), New York City Department of City Planning (DCP), New York City Department of Housing Preservation and Development (HPD), New York City Housing Authority (NYCHA), New York State Division of Homes and Community Renewal (NYSHCR), New York State Department of Labor (NYSDOL), U.S. Department of Housing and Urban Development (HUD), Real

Estate Board of New York (REBY), New York University (NYU) Furman Center, RealtyTrac, StreetEasy, and conversations with real estate brokers and developers in Staten Island. Specific data sources are broken down by assessment type below. In addition, field surveys were conducted to identify existing uses and businesses at Projected Development Sites.

RESIDENTIAL DISPLACEMENT

To analyze direct residential displacement, population and housing data were drawn from the 2012-2016 American Community Survey (ACS) Five-Year Estimates. This data set also formed the basis for residential population estimates in the Reasonable Worst Case Development Scenarios (RWCDS).

The preliminary and detailed analyses for indirect residential displacement were based on the U.S. Decennial Census and ACS Five-Year Estimates for the Study Area. This information was supplemented by additional quantitative and qualitative data from the DCP's Open Accessible Space Information System (OASIS), StreetEasy, RealtyTrac, U.S. Longitudinal Employer-Household Dynamics, as well as conversations with real estate brokers in Staten Island.

Rent-regulated housing estimates for the Study Area were based on data from NYCHA, the NYU Furman Center's Subsidized Housing Information Project (SHIP) database, 2014 Staten Island Rent Stabilized Building List produced by the NYSHCR, and the U.S. Census Bureau's Public Use Microdata (PUM). PUM provides information for an area encompassing the North Shore of Staten Island, including the Study Area. Although larger than the geographic scale of analysis for other sections, data for the PUM area in Staten Island (PUMA 3903) is the best approximation of renter income for the Study Area since it provides an income distribution of the population by housing tenure.

BUSINESS DISPLACEMENT AND ADVERSE INDUSTRIAL IMPACTS

Field visits to Projected Development Sites were used to approximate business displacement in the RWCDS. Comparative business information, including the industry breakdown by the North American Industry Classification System (NAICS) codes, were drawn from the NYSDOL's Quarterly Census of Wages and Employment. Additional information was based on data from Google Maps, the DOF, and DCP.

Indirect business displacement data were drawn from the sources above, as well as zoning maps prepared by the New York City Planning Commission (CPC). Interviews with local real estate brokers and staff from the Staten Island Chamber of Commerce were conducted to contextualize quantitative findings regarding commercial real estate trends in the Study Area.

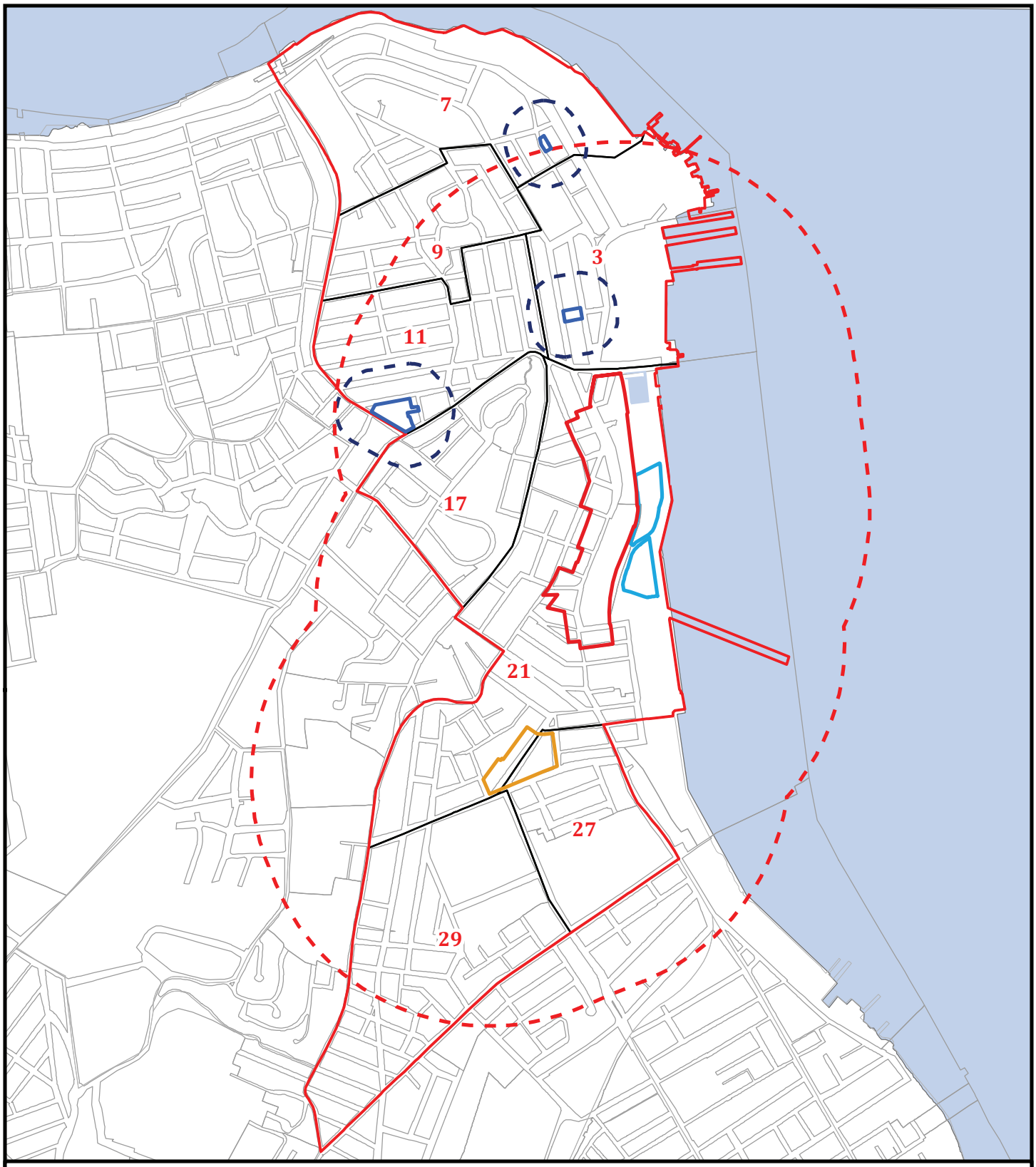


FIGURE 3-1: STUDY AREA CENSUS TRACTS
BAY STREET CORRIDOR REZONING AND RELATED ACTIONS

STATEN ISLAND, NY
Map Reference: NYC Dept of City Planning
Prepared by Langan

Bay Street Corridor Project Area
Canal Street Corridor Project Area
City Disposition Sites
Stapleton Waterfront Phase III Sites
Study Area (400-foot radius)

0 0.125 0.25 0.5 Miles

Study Area (0.5-mile radius)
Socioeconomic Conditions Study Area
3 Study Area Census Tracts

N

D. PRELIMINARY ASSESSMENT

Pursuant to the *CEQR Technical Manual*, a preliminary assessment of the proposed action's potential effects on the study area's socioeconomic conditions identifies whether a proposed project has the potential to introduce or accelerate a socioeconomic trend. If this potential is likely, a more detailed assessment is required to assess the possibility of significant impact. The Proposed Actions warrant a preliminary assessment of socioeconomic conditions with respect to all but one of these principal issues of concern—direct residential displacement.

A preliminary assessment of the four remaining areas of concern was conducted to determine whether a detailed analysis was necessary. A detailed analysis is required for those areas in which the preliminary assessment cannot definitively rule out the potential for significant adverse impacts. As described in the following sections, the preliminary assessment identified one area of concern requiring a detailed analysis—indirect residential displacement. A detailed analysis for indirect residential displacement is provided in Section E.

DIRECT RESIDENTIAL DISPLACEMENT

According to the *CEQR Technical Manual*, direct residential displacement is the involuntary displacement of residents from sites directly affected by a proposed project. Direct residential displacement is not considered a significant socioeconomic impact in and of itself, but only in those cases where 500 or more residents are directly displaced. A proposed project that exceeds the 500-person threshold for residential displacement requires a preliminary assessment. As described in the *CEQR Technical Manual*, the preliminary assessment should compare the number of residents likely to be directly displaced to the study area population. Displacement of more than five percent of the study area population typically constitutes a significant change and requires further comparative analysis of incomes between directly displaced residents and study area residents.

A preliminary or detailed assessment of direct residential impact was not warranted pursuant to *CEQR Technical Manual* guidance as the Proposed Actions would displace fewer than 500 residents, comprising less than five percent of the Study Area population. Therefore, the residential displacement resulting from the Proposed Actions is not likely to change the socioeconomic character of the neighborhood and would not result in significant adverse socioeconomic impacts.

RESIDENTIAL POPULATION SUBJECT TO POTENTIAL DIRECT DISPLACEMENT

The Proposed Actions identify 30 Projected Development Sites across 60 lots. If the Projected Development Sites in the Project Area are redeveloped in the 2030 With-Action Condition, an estimated 13 residents would be subject to potential direct displacement.

The majority of parcels within the Project Area are zoned for light manufacturing (M1-1) and low-density residential with commercial overlays (R3-2/C2-2; R4/C2-2; R3X). Sites located in the Special Stapleton Waterfront District are zoned C4-2A/SW for mixed commercial and residential uses. Currently, residential dwelling units exist on three of the 30 Projected Development Sites. In the No-Action condition, two additional Projected Development Sites (Sites 16 and 21) are anticipated to be redeveloped with residential uses.

Under the No-Action Condition, five of the 30 Projected Development Sites are anticipated to be occupied by 12 dwelling units and approximately 31 residents. According to the DOF's property tax records, the single residential dwelling unit on Projected Development Site 9 is owner-occupied. Site 9, located at 15 Swan Street, is estimated to be occupied by approximately three residents. Since owner-occupied sites are not typically considered to be vulnerable to direct displacement, 15 Swan Street (Proposed Development Site 9) was excluded from any analysis of direct residential displacement per *CEQR Technical Manual* guidance.

Table 3-1 lists the two Projected Development Sites where direct residential displacement could occur as a result of the Proposed Actions per *CEQR Technical Manual* guidance. As shown in Figure 3-2, the sites fall within both the Canal Street and Bay Street Corridor Project Areas. Projected Development Site 19 is zoned for mixed-use residential (R4/C2-2), and contains two dwelling units, whereas Site 12 houses three non-complying residential units within an M1-1 zoning district.

Table 3-1: Housing Units Subject to Potential Direct Displacement as a Result of the Proposed Actions

Projected Development Site	Block/Lot	Existing Zoning	Address	Dwelling Units under Existing Conditions	Description of Housing
p/o 12	505/11 & 14	M1-1	392 and 398 Bay Street	3	Mixed-Use
p/o 19	526/21	R4/C2-2	184 Canal Street	2	Mixed-Use
			Total	**5**	

The Proposed Actions could directly displace approximately 13 residents living on two of the Projected Development Sites. With a Study Area population of 26,253, residents subject to potential direct displacement account for less than 0.05 percent of the total Study Area population, well below the five percent threshold for potential significant adverse impacts described in the *CEQR Technical Manual.*

The Proposed Actions would also result in a substantial expansion of housing options in the Project Area. In the No-Action Condition, 12 dwelling units would be located at five of the 30 Projected Development Sites. Approximately 2,569 dwelling units would be developed on the Projected Development Sites as a result of the Proposed Actions, an incremental increase of 2,557 units. Pursuant to the MIH program, a substantial number of these dwelling units would be permanently affordable. The 13 residents facing potential direct displacement could take advantage of new housing options, including a substantial increase in the supply of permanent affordable housing.

Pursuant to *CEQR Technical Manual* guidance, no further analysis of direct residential displacement is warranted. The number of residents who would potentially experience direct residential displacement as a result of the Proposed Actions would fall well below the 500-person threshold and would not, therefore, lead to significant adverse impacts on the socioeconomic character of the Study Area.

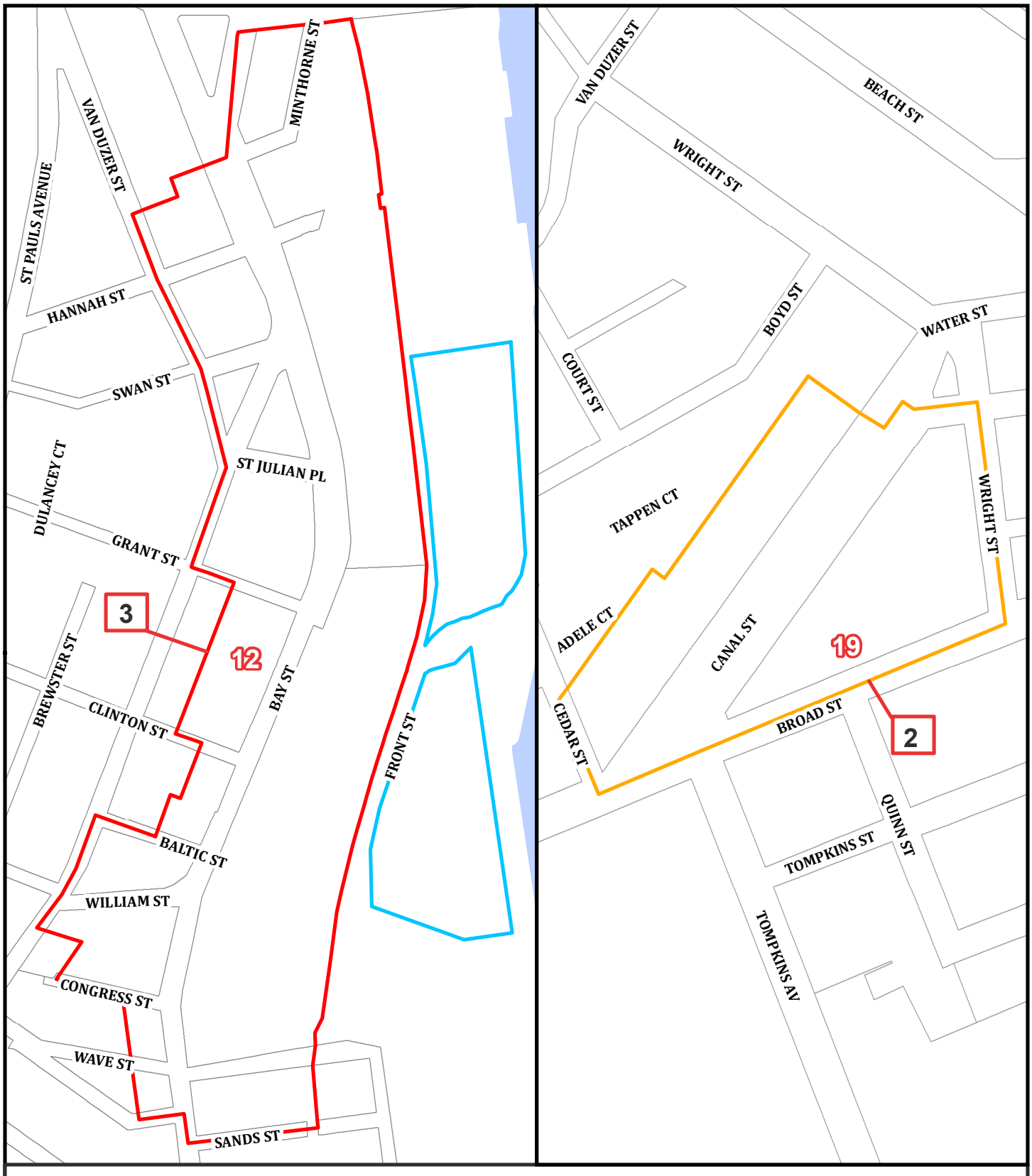


FIGURE 3-2: HOUSING UNITS SUBJECT TO POTENTIAL DIRECT DISPLACEMENT AS A RESULT OF THE PROPOSED ACTIONS

BAY STREET CORRIDOR REZONING AND RELATED ACTIONS STATEN ISLAND, NY

Map Reference: NYC Dept of City Planning

Bay Street Corridor Project Area
Canal Street Corridor Project Area
Stapleton Waterfront Phase III Sites

12 Projected Development Sites with Direct Residential Displacement
3 No. of Displaced Residential Units

*Not to Scale

N

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

Direct business and institutional displacement is defined by the *CEQR Technical Manual* as the involuntary displacement of businesses from a site or sites directly affected by a proposed project. In the case of direct business displacement, the impacted businesses and workers are usually known, and the disclosure of direct displacement thus focuses on specific businesses and a known number of workers. As stated in the *CEQR Technical Manual*, direct displacement by itself, in most cases, would not constitute a significant adverse socioeconomic impact. The changes resulting from direct business displacement may be substantial, but not adverse; in fact, they may even be beneficial. Direct business displacement may not harm the socioeconomic character of the study area in a more significant manner than the traditional market forces of dynamic urban environments like Staten Island and other neighborhoods in New York City.

According to the *CEQR Technical Manual*, if a project would directly displace more than 100 employees, a preliminary assessment of direct business displacement is appropriate. The Proposed Actions include zoning map and text amendments, as well as the disposition of three City-owned properties and a City Map change in the Project Area. For an area-wide rezoning, specific sites and types of future development are less certain; therefore, sites are analyzed based on conservative assumptions of where likely redevelopment could occur and whether existing businesses and workers on those sites would be directly displaced. Thirty Projected Development Sites were identified in the Proposed Actions as sites most likely to be developed within the 12-year analysis period. As a result of the Proposed Actions, 30 businesses and institutions employing 473 workers across 14 Projected Development Sites would be potentially directly displaced; therefore, an assessment of direct business displacement was conducted.

The preliminary assessment addressed the following CEQR criteria in order to determine the potential for significant adverse impacts: (1) would the businesses to be directly 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 assessment utilized the NAICS to assess impacts based on industry sector.

PROFILE OF STUDY AREA EMPLOYMENT

In 2016, there were an estimated 4,771 private sector employees in the Study Area (Table 3-2), representing approximately five percent of Staten Island's private employment and about 0.1 percent of New York City's private employment. Employment figures for public administration are removed from analysis since public agencies and employees are not considered vulnerable to potential direct displacement per *CEQR Technical Manual* guidance.

Table 3-2: 2016 Private Employment in the Study Area, Staten Island, and New York City

	Study Area		Staten Island		New York City	
	Employees	**Percent**	**Employees**	**Percent**	**Employees**	**Percent**
Accommodation and Food Services	400	8.4%	8,127	8.4%	349,648	9.6%
Administrative and Support and Waste Management and Remediation Services	194	4.1%	4,261	4.4%	224,120	6.2%
Agriculture, Forestry, Fishing, and Hunting	X	X	X	X	354	0.0%
Arts, Entertainment, and Recreation	94	2.0%	1,377	1.4%	84,634	2.3%
Construction	307	6.4%	9,278	9.6%	142,385	3.9%
Educational Services	X	X	3,621	3.8%	178,394	4.9%
Finance and Insurance	50	1. 1%	2,083	2.2%	327,588	9.0%
Health Care and Social Assistance	2,136	44.8%	29,743	30.8%	670,959	18.5%
Information	X	X	1,418	1.5%	177,674	4.9%
Management of Companies and Enterprises	X	X	588	0.6%	66,453	1.8%
Manufacturing	26	0.5%	1,174	1.2%	75,325	2.1%
Mining, Quarrying, and Oil and Gas Extraction	X	X	X	X	67	0.0%
Other Services (except Public Administration)	169	3.5%	4,985	5.2%	172,230	4.8%
Professional, Scientific, and Technical Services	313	6.6%	3,536	3.7%	393,373	10.9%
Real Estate and Rental and Leasing	149	3.1%	1,275	1.3%	127,804	3.5%
Retail Trade	389	8.2%	16,053	16.6%	345,238	9.5%
Transportation and Warehousing	136	2.8%	5,458	5.7%	116,144	3.2%
Unclassified/All Other	X	X	822	0.9%	23,821	0.7%
Utilities	X	X	977	1.0%	15,331	0.4%
Wholesale Trade	115	2.4%	1,678	1.7%	1342,874	3.7%
Total	**4,771**	**100.0%***	**95,509**	**100.0%**	**3,626,415**	**100.0%**

Source: *NYS Department of Labor, QCEW 2016 Annual Averages (Staten Island and New York City); NYS Department of Labor, QCEW 2016 compiled by NYC DCP HEIP Division (Study Area)*
Notes: *"x" denotes that the data cannot be disclosed, or the industry sector does not exist in the geographic area.*
**Values represent private sector, non-headquartered establishments and are based on successfully geocoded records. The QCEW program collects data from employers covered by New York State's Unemployment Insurance Law, which covers approximately 97% of the State's payroll, nonfarm jobs. The program does not count private-sector jobs that are not reported to the state, not covered by unemployment insurance, or held by self-employed workers (about 17% of NYC jobs). Due to geocoding complications, public sector jobs — approximately 14% of NYC jobs — are excluded from the NYC Department of City Planning (DCP) data analysis.*

The greatest number of employees in the Study Area worked in the Health Care and Social Assistance sector (2,136). While Health Care and Social Assistance also represented the largest employment sector for Staten Island and New York City, the Study Area's share of jobs in this sector (44.8 percent) was larger than the share in the borough (30.8 percent) and the City as a whole (18.5 percent). After Health Care and Social Assistance, five percent or more of the jobs in the Study Area were concentrated in Retail Trade (8.2 percent), Accommodation and Food Services (8.4 percent), Construction (6.4 percent), and Professional, Scientific, and Technical Services (6.6 percent). Overall, the Study Area and Staten Island as a whole follow similar trends in employment share by industry. Compared with New York City, the Study Area had a significantly smaller share of jobs in Finance & Insurance and Information sectors.

As detailed in Table 3-3, there were 562 active private businesses and institutions in the Study Area in 2016. Five percent or more of the businesses and institutions in the Study Area were concentrated in Health Care and Social Assistance (17.3 percent), Retail Trade (14.9 percent), Accommodation and Food Services (10.7 percent), Other Services (10.1 percent), Professional, Scientific, and Technical Services (8.9 percent), Construction (6.6 percent), Real Estate and Rental and Leasing (5.7 percent), and Administrative and Support and Waste Management (5.5 percent). In the Study Area, there were either too few businesses to disclose or no businesses and institutions represented in the economic sectors of Agriculture, Forestry, Fishing, and Hunting; Educational Services; Information;

Management of Companies and Enterprises; Mining, Quarrying, and Oil and Gas Extraction; Wholesale Trade; and Unclassified.

Table 3-3: 2016 Private Businesses and Institutions in the Study Area

	Businesses and Institutions		Employees	
	Number	**Percent**	**Number**	**Percent**
Accommodation & Food Services	60	10.7%	400	8.4%
Administrative & Support/Waste Management & Remediation Services	31	5.5%	194	4,1%
Agriculture, Forestry, Fishing, & Hunting	X	X	X	X
Arts, Entertainment, & Recreation	7	1.3%	94	2.0%
Construction	37	6.6%	307	6.4%
Educational Services	X	X	X	X
Finance & Insurance	11	2.0%	50	1.1%
Health Care & Social Assistance	97	17.3%	2,136	44.8%
Information	X	X	X	X
Management of Companies & Enterprises	X	X	X	X
Manufacturing	10	1.8%	26	0.5%
Mining, Quarrying, & Oil and Gas Extraction	X	X	X	X
Other Services (except Public Administration)	57	10.1%	169	3.5%
Professional, Scientific, & Technical Services	50	8.9%	313	6.6%
Real Estate & Rental and Leasing	32	5.7%	149	3.1%
Retail Trade	84	14.9%	389	8.1%
Transportation & Warehousing	9	1.6%	136	2.8%
Unclassified/All Other	X	X	X	X
Wholesale Trade	15	2.7%	115	2.4%
Total	**562**	**100.0%**	**4,771**	**100.0%***

Source: *NYS Department of Labor, QCEW 2016 DCP HEIP Division (August 2018) for the Study Area.*
Notes: **Values are Rounded*
"X" denotes the data cannot be disclosed or the industry sector does not exist in the geographic area.

PROFILE OF BUSINESS AND INSTITUTIONS SUBJECT TO POTENTIAL DIRECT DISPLACEMENT

The 30 Projected Development Sites are publicly owned, vacant, unoccupied, or occupied by private businesses. Five sites (Projected Development Sites 26, 27, 28, 29, and 30) are publicly owned. Projected Development Site 7 also supports public administrative offices, including New York City Housing Resources Administration's (HRA) offices and service centers. Five other sites (Projected Development Sites 16, 21, 22, 23, and 25) are entirely vacant, and two of the Projected Development Sites (3 and 10) accommodate parking and vehicle storage uses with no permanent structures at the site, nor any associated workers at the sites. Two Projected Development Sites (1 and 24) and a portion of another (p/o Site 9) are occupied by vacant low-rise commercial buildings. Portions of 16 Projected Development Sites (2, 4, 5, 6, 7, 8, p/o 9, 11, 12, p/o 13, 14, 15, 17, 18, 19, and 20) are occupied by active, private businesses.

Businesses and institutions on the Projected Development Sites were deemed potentially subject to direct displacement as a result of the Proposed Actions if they met the following criteria: (1) active and operational; (2) privately-owned; and (3) the property is not owner-occupied. Criteria (1) indicates that only active businesses and institutions can actually experience displacement. Criteria (2) reflects that public agencies are excluded because they are not typically considered to be vulnerable to direct displacement. Criteria (3) indicates that sites where the same party owns the site and business should be excluded because as the owner, they can decide whether to close or relocate their business. Thus, owner-occupied sites are not typically considered to be vulnerable to direct displacement per *CEQR Technical Manual* guidance.

As shown in Table 3-4, there are 33 active private businesses and institutions located on the Projected Development Sites. These businesses and institutions represent the following economic sectors: Other Services (approximately 36 percent); Retail Trade (approximately 42 percent); Wholesale Trade (roughly three percent); Food Service (roughly three percent); Finance & Insurance (approximately three percent); Real Estate (approximately three percent); Arts, Entertainment; and Recreation (approximately three percent); Health Care and Social Assistance (approximately three percent); and Manufacturing (approximately three percent). These 33 active businesses and institutions are located on portions of 16 Projected Development Sites (2, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 17, 18, 19, and 20).

Table 3-4: Private Businesses and Institutions on Projected Development Sites

	Businesses and Institutions	Percent
Arts, Entertainment, & Recreation	1	3.0%
Health Care and Social Assistance	1	3.0%
Finance & Insurance	1	3.0%
Manufacturing	1	3.0%
Real Estate	1	3.0%
Food Service	1	3.0%
Wholesale Trade	1	3.0%
Other Services (except Public Administration)	12	36.4%
Retail Trade	14	42.4%
Total Businesses and Institutions	**33**	**100%***
Source: *Field Surveys conducted in July 2018* ***Notes:*** **Values are Rounded*		

In order to identify businesses and institutions that would be subject to potential direct displacement, owner-occupied Projected Development Sites were removed since they are not typically considered to be vulnerable to direct displacement. Resources provided by the DOF were utilized to determine owner-occupied sites, as shown in Table 3-5. Projected Development Sites 8 and 19 are assumed to be owner-occupied as these sites addresses match the tax addresses listed in *NYCProperty*, and all of the businesses and institutions on these sites are owned by the site's owner, as indicated by the *Automated City Register Information System* (*ACRIS*). Identified as owner-occupied, Projected Development Sites 8 and 19 are removed from further analysis of potential direct displacement. In the No-Action Condition, these two sites would continue to employ approximately 47 workers.

Table 3-5: Owner-Occupied Projected Development Sites

Projected Development Site	Block/Lot	Existing Zoning	Address	Name	Economic Sector (# of Businesses per Site)
8	498/1	M1-1	248 Bay Street	248 Bay Street Corp (Gas Station, Deli)	Retail Trade (1)
19	526/19, 2,25	R4/C2-2	184 Canal Street	Albanian Islamic Cultural Center	Other Services (except Public Administration) (1)
Source: *NYC Department of City Planning; NYC Department of Finance, 2016; GoogleMaps*					

Table 3-5a describes private business establishments that are expected to expand and/or remain in the future with the Proposed Actions. In absence of the Proposed Actions, the RWCDS assumes that the With-Action RWCDS for Projected Development Site 7, which would be developed as a mixed-use commercial and residential building, also assumes the expansion of the existing Flagship Brewing

Company at 40 Minthorne Street on Site 7 (pursuant to proposed SBSCD text amendments). Therefore, the Flagship Brewing Company would remain in the With-Action condition, and is not expected to be directly displaced as a result of the Proposed Actions.

Table 3-5a: **Existing Private Business Establishments to remain in With-Action Condition**

Projected Development Site	Block/Lot	Existing Zoning	Address	Name	Economic Sector (# of Businesses per Site)
p/o 7	497/1	M1-1	40 Minthorne Street	Flagship Brewing Co.	Manufacturing (1) Brewery
Source: *NYC Department of City Planning, July 2018 Field Surveys*					

Excluding the two owner-occupied Projected Development Sites and the portion of Projected Development Site 7 that is expected to retain the existing businesses, the remaining 14 Projected Development Sites (2, 4, 5, 6, p/o 7, 9, 11, 12, 13, 14, 15, 17, 18, and 20) are potentially vulnerable to direct business displacement and were analyzed in the Preliminary Assessment. The 14 Projected Development Sites subject to potential direct business displacement contain 30 active private businesses, including one institution (a house of worship). These businesses and institutions are concentrated in eight economic sectors: Retail Trade, Other Services, Wholesale Trade, Food Services, Health Care and Social Assistance, Arts, Entertainment and Recreation, Real Estate, and Finance & Insurance. Thirteen of the 30 businesses belong to the Retail Trade sector. Twenty-five of the businesses are located on 12 Projected Development Sites in the Bay Street Corridor Project Area and five of the businesses are located on two Projected Development Sites in the Canal Street Corridor Project Area. These 30 private businesses are detailed in Table 3-6.

As shown in Table 3-6, 244 employees are likely to be directly displaced as a result of the Proposed Actions.[1] This figure accounts for approximately five percent of the employees in the Study Area and less than 0.3 percent of the employees in Staten Island. On all Projected Development Sites, including those subject to potential direct business and institutional displacement, the Proposed Actions would create 2,565 jobs, a net increase of 1,312 total jobs compared with the 2030 No-Action Condition RWCDS (see Table 3-7).

Under the Proposed Actions, several automotive-related businesses are vulnerable to potential direct displacement. Thirteen businesses, accounting for approximately 43 percent of the total potential businesses at risk for potential direct displacement, are either motor vehicle dealers, auto parts dealers, automotive repair shops, car washes, or gas stations as shown in Table 3-8.

[1] Projected Development Site 7 also supports public administrative offices, including New York City HRA's offices and service centers. However, employment figures for public administration are removed from the direct displacement analysis, as public agencies and employees are not considered vulnerable to potential direct displacement per *CEQR Technical Manual* guidance.

Table 3-6: Private Businesses and Institutions Subject to Potential Direct Business Displacement as a result of the Proposed Actions

Projected Development Site	Block/Lot	Existing Zoning	Address	Name	Type & Economic Sector
2	487/60,64, 80	M1-1	253 Bay Street	ExxonMobil	Gas Station (Retail Trade)
4	488/26, 175,201,206	M1-1	457 Bay Street	Bay Harbor Motors	Motorcycle & Boat Dealer (Retail Trade)
	488/18	M1-1	465 Bay Street	Happy Cleaners	Dry cleaner (Other Services)
5	488/53	M1-1	425 Bay Street	Western Beef	Supermarket (Retail Trade)
	488/65	M1-1	385 Bay Street	Rite-Aid	Pharmacy (Retail Trade)
	488/65	M1-1	385 Bay Street	Northfield Bank	Bank (Finance & Insurance)
	488/65	M1-1	385 Bay Street	A-1 Laundromat	Laundromat (Other Services)
6	489/5	M1-1	511 Bay Street	Vanbro Motors Inc.	Used Car Dealer (Retail Trade)
	489/5	M1-1	511 Bay Street	Homeport Service Station	Auto Repair (Other Services)
	489/5	M1-1	517 Bay Street	Sky Auto Spa Inc.	Car Wash (Other Services)
7	497/7	M1-1	209 Bay Street	CAMBA's HomeBase	Non-profit Housing Support Service (Healthcare & Social Assistance)
	497/9	M1-1	181 Bay Street	Daddy O's On the Bay	Restaurant (Food Service)
	497/9	M1-1	2 Minthorne Street	Goalmine	Wellness Center (Arts, Entertainment, and Recreation)
9	500/24	M1-1	111 Van Duzer Street	TD Motor Leasing	Used Car Dealer (Retail Trade)
11	505/4,51	M1-1	380 Bay Street	Sandy's Half Price Muffler	Car Dealer & Parts (Retail Trade)
	505/4	M1-1	378 Bay Street	Travis Auto Space	Car Wash (Other Service)
12	505/12	M1-1	396 Bay Street	Dema's Auto Center	Auto Repair (Other Services)
	505/14	M1-1	398 Bay Street	Rose Nail Salon	Beauty Salon (Other Services)
	505/14	M1-1	400 Bay Street	Metro PCS	Cell Phone Store (Retail Trade)
	505/14	M1-1	400 Bay Street	Iglesia Pentecostal	Church/House of Worship (Other Services)
13	505/22	M1-1	13 Clinton Street	Cetsez Inc.	Auto Repair (Other Services)
14	505/18	M1-1	406 Bay Street	Sammy's Half Price Muffler LLC	Auto Repair (Other Services)
15	507/12,17	M1-1	442 Bay Street	Harley-Davidson of Staten Island	Motorcycle Dealer (Retail Trade)
17	509/1,4,8	M1-1	480 Bay Street	Coastal Plumbing Supply	Plumbing Retailer Supplier/Showroom (Wholesale Trade)
	509/1	M1-1	466 Bay Street	Ameer Deli & Grocery	Convenient Store (Retail Trade)
18	526/11	C2-2/R4	164A Canal Street	Tudo Shoes	Clothing Store (Retail Trade)
	526/11	C2-2/R4	166 Canal Street	Lisa S.I. Beauty Salon	Beauty Salon (Other Services)
	526/11	C2-2/R4	164 Canal Street	Samliz Trivica LTD	Property Management (Real Estate)
	526/11	C2-2/R4	166 Canal Street	Staten Island Beauty Supply	Beauty Supplies (Retail Trade)
20	526/57,59, 61	C2-2/R4	146-152 Canal Street	Carparts, Inc.	Car Parts (Retail Trade)

Source: *NYC Department of City Planning; NYC Department of Finance; GoogleMaps; Field Surveys July 2018*

Table 3-7: Projected Development Site Employment Figures for 2030 No-Action and With-Action Conditions

Development Scenario	Employees
No-Action Condition	1,254
With-Action Condition	2,565
Net Difference	1,312
Source: *NYC Department of City Planning*	

Table 3-8: **Automotive-Related Uses Subject to Potential Direct Displacement by Type in the With-Action Condition**

	Directly Displaced Businesses and Institutions	
	Number	Percent
Retail Trade	**7**	**53.8%**
Car/Motorcycle Dealer	4	30.8%
Gas Station	1	7.7%
Motorcycle/Boat Dealer	1	7.7%
Motor Vehicle Parts	1	7.7%
Other Services (except Public Administration)	**6**	**46.2%**
Automotive Repair & Maintenance	4	30.8%
Car Wash	2	15.4%
Total Automotive-Related Businesses	**13**	**100%**
Share of All Businesses Subject to Potential Direct Displacement	**43.3%**	
Source: *NYC Department of City Planning; July 2018 Field Surveys*		

CEQR PRELIMINARY ASSESSMENT CRITERIA

To assess the potential significant adverse impact of direct business displacement resulting from the Proposed Actions, the preliminary assessment addressed the following criteria questions presented in the *CEQR Technical Manual*: (1) would the businesses to be directly 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 IBZ). Based on the RWCDS for the Projected Development Sites, the extent of potential direct business displacement was estimated. As shown in Tables 3-6 and 3-7, the Proposed Actions have the potential to directly displace 30 businesses and an estimated 244 related employees. Approximately 43 percent of these businesses belong to the Retail Trade sector, 37 percent belong to Other Services, and roughly three percent belong to the Finance & Insurance, Arts, Entertainment and Recreation, Food Service, Wholesale Trade, Real Estate, and Health Services and Social Assistance sectors. Each of the affected economic sectors is discussed below for their relevant trade area.

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?

The *CEQR Technical Manual* states that there is no established trade area applicable to all socioeconomic analyses; trade areas should be developed to reflect areas that are likely to be affected by the project. Businesses and institutions that offer goods and services that meet the daily need of local consumers, and therefore may be considered to be more essential to the local economy, require a smaller trade area for impact analysis. The Study Area boundary was used to assess potential direct

displacement impacts for these types of businesses and institutions. Businesses and institutions that offer goods and services that do not meet a daily need for local consumers, and therefore may be considered less essential to the local economy, required a larger trade area for impact analysis. A three-mile radius based from the central point of the Project Area was used to assess the potential direct displacement impacts for these businesses and institutions. Consistent with an example provided in the *CEQR Technical Manual*, the three-mile radius was identified as a reasonable distance that consumers would likely travel to obtain certain goods and services. Although the three-mile radius encompasses portions of New Jersey and Brooklyn, only the area in Staten Island was defined as the local trade area and included in this analysis.

These relevant geographic trade areas were assessed to establish if the businesses and institutions that are vulnerable to direct displacement provide products or services that are essential to the local economy and would no longer be available under the Proposed Actions.

The 30 businesses that would potentially be directly displaced from the 14 Projected Development Sites provide goods and services that are offered by a substantial number of businesses in the relevant trade area for each industry. Under the Proposed Actions, local residents and businesses would be able to acquire comparable, if not the same, goods and services that the potentially directly displaced businesses offer from the remaining large number of competitors.

In the event of relocation, the directly displaced business and institutions would be permitted under the current zoning to move within the Study Area or trade area. All of the Retail Trade, Other Services (with the exception of auto repair services), Arts, Entertainment and Recreation, Health Services and Social Assistance, and Finance & Insurance businesses and institutions are permitted in a C4-2 zoning district and C1 and C2 commercial overlays. Within the Study Area, there is C4-2 zoning located in the St. George neighborhood, as well as C1 and C2 commercial overlays. The auto repair and car wash businesses are permitted in the existing M1-1 zoning district. Within the Study Area, C8-1 zoning districts are currently located just north of the Stapleton Waterfront District and along Broad Street. Within the trade area, M2-1 and M3-1 zoning districts are also located within the Clifton and Rosebank neighborhoods, as well as M1-1 and M3-1 zoning districts located along the nearby Port Richmond waterfront.

An assessment of potentially directly displaced businesses and institutions is provided below, which also identifies comparable entities within their relevant trade areas. The assessment utilizes Quarterly Census of Employment and Wages (QCEW) data from the Bureau of Labor Statistics (BLS) as well business listings obtained through Google Maps. For industry categories with insufficient data, the minimum amount of comparable businesses and institutions is identified. When available, the amount of current employment, and thus potentially displaced employment, is provided. For other businesses and institutions, the amount of employment is unavailable. The assessment organizes the businesses and institutions by their economic sector to reflect the character of the local economy as a result of the Proposed Actions.

Retail Trade

Thirteen Retail Trade businesses are located on the Projected Development Sites that could be potentially directly displaced as a result of the Proposed Actions. These businesses represent approximately 43 percent of the total businesses and institutions that could be directly displaced as

a result of the Proposed Actions and roughly 15 percent of the 84 total Retail Trade businesses in the Study Area. These businesses include a gas station, a supermarket, a pharmacy, a deli, a cell phone store, a clothing store, beauty supplies store, an automotive parts dealer, and five motor vehicle dealers.

A gas station located on Projected Development Site 2 is one of five gas stations in the Study Area and would have approximately six displaced employees. A supermarket, located at 425 Bay Street (Site 5), is one of three large supermarkets in the Study Area. The pharmacy, located at 385 Bay Street (Site 5), is one of seven pharmacies in the Study Area. A deli located at 466 Bay Street (Site 17) accounts for one of 21 food and beverage stores in the Study Area. The clothing store, located at 164 Canal Street (Site 18), accounts for one of at least five clothing retailers in the Study Area. The automotive parts dealer, located at 150 Canal Street (Site 20), employs approximately 23 people and is one of three specialty auto parts suppliers within the Study Area.

The five motor vehicle dealers that could be direct displaced consist of one motorcycle dealer at 442 Bay Street (Site 15) that would potentially displace 10 employees, one motorcycle and boat dealer at 457 Bay Street (Site 4) that would potentially displace 50 employees, and three car dealers. The three car dealers are located at 511 Bay Street (Site 6), 380 Bay Street (Site 11), and 396 Bay Street (Site 12), and would be expected to potentially directly displace a combined eight employees. There are four motorcycle dealers within the Study Area, all of which are located within an approximate quarter-mile of the Bay Street Corridor Project Area. Within a three-mile radius of the Project Area, there are over 40 car dealers and no boat dealers. However, there are nine additional boat dealers within a 10-mile radius of the Project Area.

In the event of relocation, the potentially directly displaced businesses and institutions would be permitted under the current zoning to move within the Study Area. All of the Retail Trade businesses and institutions are permitted under C4-2 zoning and within the C1 and C2 commercial overlays. Within the Study Area, there is C4-2 zoning district currently located in the St. George and Stapleton neighborhoods, as well as C1 and C2 commercial overlays.

Comparable businesses and institutions in the trade area offer goods provided by the potentially displaced gas station, supermarket, pharmacy, deli, clothing store, automotive parts dealer, car dealers, and motorcycle dealers. Although there are no other boat dealers within the trade area, there is no indication that there would be difficulty relocating the business nearby given the fact that there are boat dealers within a 10-mile radius of the Project Area.

In the event that these Retail Trade businesses and institutions are directly displaced, local residents and businesses would still be able to acquire comparable goods. Furthermore, in the event of relocation, the nearby St. George and Stapleton neighborhoods could accommodate the directly displaced Retail Trade. Therefore, it is anticipated that the potential direct displacement of these 13 Retail Trade businesses under the Proposed Actions would not constitute a significant adverse socioeconomic impact.

Other Services (except Public Administration)

Eleven businesses from the Other Services economic sector are located on the Projected Development Sites that could be potentially directly displaced as a result of the Proposed Actions.

These businesses and institutions represent roughly 37 percent of the total businesses and institutions that could be directly displaced as a result of the Proposed Actions and approximately 19 percent of the 57 total Other Services entities in the Study Area. These businesses and institutions include a dry cleaner (Site 4), laundromat (Site 5), automotive repair shops (Sites 6, 12, 13, and 14), car washes (Sites 6 and 11), a house of worship (Site 12), and two salons (Sites 12 and 18).

The dry cleaner, located at 465 Bay Street (Site 4), is one of six dry cleaning services within the Study Area. The laundromat, located at 385 Bay Street (Site 5), is one of 12 laundromat businesses in the Study Area. The automotive repair shops, located at 511 Bay Street, 406 Bay Street, 396 Bay Street, and 378 Bay Street (Sites 6, 12, 13, and 14), are a subset of at least 20 automotive repair and maintenance businesses in the Study Area and would potentially directly displace a combined approximately 13 employees. The two car washes are located at 517 Bay Street and 380 Bay Street (Sites 6 and 11), and there are two additional car washes within the three-mile trade area. The two salons, located at 388 Bay Street and 164 Canal Street (Sites 12 and 18), make up two of 21 salons in the Study Area. A Pentecostal church, located at 400 Bay Street (Site 12), is one of at least 14 houses of worship in the Study Area.

In the event of relocation, the potentially directly displaced businesses and institutions would be permitted under the current zoning to move within the Study Area. Many of the Other Services businesses and institutions, except the auto repair shops and car washes, are permitted under C4-2 zoning and C1 and C2 commercial overlays, which are mapped in the St. George and Stapleton neighborhoods. The auto repair shops and car washes are permitted in M1-1 zoning districts, which are located within the Study Area along the St. George waterfront and within the trade area along the Port Richmond waterfront. In the event of relocation, areas nearby could accommodate the directly displaced Other Services sector businesses and institutions.

There are an abundance of businesses and institutions in the Study Area that offer comparable services to the goods and services provided by the potentially directly displaced laundromat, automotive repair shops, car washes, church, and salons. Therefore, the potentially directly displaced businesses are not essential to the local economy. In the event of their direct displacement, local residents and businesses would still be able to access comparable services. In the event of relocation, there are nearby neighborhoods that could accommodate the directly displaced Other Services businesses and institutions. Therefore, it is not anticipated that the displacement of these eleven Other Services businesses and institutions under the Proposed Actions would constitute a significant adverse socioeconomic impact.

Finance & Insurance

One Finance & Insurance business, a branch of a regional bank, is located at 385 Bay Street (Site 5), and could be potentially directly displaced as a result of the Proposed Actions. This business represents approximately nine percent of the 11 total Finance & Insurance businesses in the Study Area. Additionally, this specific bank has three other branches within a three-mile radius of the Study Area and 12 branch locations across Staten Island.

In the event of relocation, the bank, which is permitted under C4-2 zoning and in commercial overlay districts, would not have difficulty relocating within St, George neighborhood. Within the Study Area, there is C4-2 zoning district currently located in the St. George neighborhood as well as C1 and C2

commercial overlay districts. Therefore, in the event of relocation, there is a significant amount of nearby areas that could accommodate the directly displaced Finance & Insurance business.

Food Service

One Food Service establishment, a sit-down restaurant and bar at 181 Bay Street (Site 7), employing an estimated 25 workers, could be potentially directly displaced under the RWCDS. With a total of 60 Accommodation and Food Service establishments employing 400 workers in the Study Area, there is an abundance of places to eat and drink in the area. Furthermore, the 25 food service employees that could be directly displaced as a result of the Proposed Actions represent a small proportion of Accommodation and Food Service sector workers, approximately six percent of this sector's employment in the Study Area. The potential employment loss within this industry sector is not expected to be substantial, and the existing businesses is not uniquely dependent on its current location. Furthermore, restaurants (Use Group 6) would be able to locate within any commercial zoning district. The Proposed Actions would map C2-3 and C2-4 commercial overlays in the Project Area, which would permit restaurants as-of-right. As such, the direct displacement of a single eating and drinking establishment would not constitute a significant adverse socioeconomic impact under *CEQR Technical Manual* guidance.

Arts, Entertainment and Recreation

A health and wellness center at 2 Minthorne Street (Site 7), employing an estimated 10 workers, could be potentially directly displaced under the RWCDS. These employees account for approximately 11 percent of this sector's employment in the Study Area (94 workers). The health and wellness center is not uniquely dependent on its current location, and would be able to locate within any commercial zoning district. The Proposed Actions would map C2-3 and C2-4 commercial overlays in the Project Area. As such, the potential direct displacement of a single Arts, Entertainment and Recreation establishment would not constitute a significant adverse socioeconomic impact under *CEQR Technical Manual* guidance.

Health Services and Social Assistance

Under the RWCDS, a non-profit housing support service organization, employing roughly five workers, could be directly displaced from Projected Development Site 7 in the future with the Proposed Actions. These health care employees account for a very small proportion of Health Services sector representing less than one percent of this sector's employment in the Study Area (2,136 workers). The existing businesses is not uniquely dependent on its current location and would be able to relocate within any commercial zoning district. The Proposed Actions would map C2-3 and C2-4 commercial overlays in the Project Area. As such, the direct displacement of a single Health Services establishment would not constitute a significant adverse socioeconomic impact under *CEQR Technical Manual* guidance.

Real Estate

A single Real Estate firm, a property management company, employing approximately three workers could be directly displaced as a result of the Proposed Actions. The directly displaced employees represent approximately nine percent of this sector's employment (32 workers) in the Study Area. Although this business serves the local worker and resident populations, its services are not unique to the Study Area, with similar services offered at other locations in the study area, Staten Island, and New York City. Moreover, this commercial office business can locate within any commercial zoning

district, and the Proposed Actions would map C2-3 and C2-4 commercial overlays in the Project Area. As such, this direct displacement would not constitute a significant adverse socioeconomic impact under *CEQR Technical Manual* guidelines.

Wholesale Trade

A single wholesale establishment, a plumbing supplies dealer and showroom at 480 Bay Street, could be directly displaced from Projected Development Site 17, which employs an estimated 20 workers, as a result of the Proposed Actions. The directly displaced employees represent approximately 17 percent of this sector's employment (115 workers) in the Study Area. It is likely that the wholesale plumbing supplier not only serves the local economy or community, but a larger regional area given that it services trade professions and other designers. It is also one of the company's three branches on Staten Island. The business is one of six designated plumbing suppliers within roughly a three-mile radius of the Project Area. As such, this direct displacement would not constitute a significant adverse socioeconomic impact under *CEQR Technical Manual* guidelines.

Due to the abundance of businesses and institutions in the Study Area that provide comparable goods and the potential for relocating nearby, it is not anticipated that the direct displacement of the Wholesale Trade business under the Proposed Actions would constitute a significant adverse socioeconomic impact.

Would the project directly displace a business that is unusually important because its products or services are uniquely dependent on its location; that, based on its type or location, is the subject of other regulations or publicly adopted plans aimed at its preservation; or that serves a population uniquely dependent on its services in its present location?

The Proposed Actions would not directly displace a business or institution that is unusually important and uniquely dependent on its present location, or displace a business or institution whose goods or services support a population uniquely dependent on the business in its present location. In addition, except for a single large-format grocery store occupying a portion of Projected Development Site 5, the 29 remaining potentially directly displaced businesses are not the subject of regulations or publicly adopted plans or policies that preserve and protect their business category.

In response to the first condition, none of the potentially directly displaced businesses and institutions produce a good or service that is uniquely dependent on its current location. All of the potentially displaced businesses and institutions are permitted under zoning regulations that are currently provided elsewhere in the Study Area and/or trade area. Consequently, the Proposed Actions would not potentially directly displace a business or institution whose production of goods and services is uniquely dependent on its location.

In response to the second condition, both the Project Area and Study Area are located within a FRESH-designated area, which provides tax incentives to help promote the establishment and retention of neighborhood grocery stores. While the potential direct displacement of a supermarket (Western Beef) from Projected Development Site 5 would adversely affect the availability of large-format grocery stores within the Project Area, there would continue to be other grocery stores within a reasonable area from which area residents and workers could shop. There are numerous small-scale grocers and markets within the Study Area, as well as a few large-scale grocers within the Study area, including a Key Food at 155 Bay Street. The Proposed Actions are intended to create

opportunities for new commercial and mixed-use development, in addition to new residential uses, by mapping C2-3 and C2-4 commercial overlays along the Bay Street Corridor and Canal Street Corridor Project Areas. The Proposed Actions and associated RWCDS are expected to result in an incremental increase over the No-Action Condition of approximately 275,348 square feet (sf) of commercial uses, including retail, office, and restaurant space. Therefore, the potential direct displacement of the Western Beef grocery store is not expected to result in significant adverse socioeconomic impacts.

Furthermore, the Proposed Actions are consistent with and help advance the goals and community planning efforts of the regulations and publicly adopted preservation plans that are a part of the Stapleton area. The Proposed Actions are an initiative of the Bay Street Corridor Neighborhood Planning Study, which has a mission to create a more equitable and livable New York City by facilitating the development of affordable housing, fostering jobs and economic opportunity, and investing in the local infrastructure. The Proposed Actions would also help accomplish the mission of the North Shore 2030 Plan by encouraging the creation of quality jobs and workplaces, highly utilized neighborhood centers, and transportation mobility through new development. The Project Area contains portions of the Special Stapleton Waterfront District, Special St. George District, and the Special Hillsides Preservation District and complies with the physical specifications and goals of these three special purpose districts.

In response to the third condition, none of the potentially displaced businesses and institutions serve a population uniquely dependent on its services in its present location. As discussed earlier, there are an abundance of other businesses and institutions in the Study Area and trade areas that provide comparable goods and services as the potentially directly displaced businesses and institutions. Thus, the Proposed Actions would not directly displace a business or institution that serves a population uniquely dependent on its services in its present location.

CONCLUSION

The potential direct displacement of 30 businesses and 244 workers is not likely to create a significant socioeconomic impact as a result of the Proposed Actions. The directly displaced businesses and institutions do not provide products or services essential to the local economy that would no longer be available to local residents or businesses. In addition, except for the large-format grocery store occupying a portion of Projected Development Site 5, there is no other category of business that may be directly displaced that is the subject of regulations or plans to preserve, enhance, or otherwise protect it. While a supermarket could be directly displaced, there are several comparable supermarkets in the trade area. Furthermore, it is expected that some businesses that could be directly displaced would be able to relocate to new spaces in the Project Area created as a result of the Proposed Actions. For these reasons, based on the above analysis, per *CEQR Technical Manual* guidance, the Proposed Actions would not result in significant adverse impacts due to direct business and institutional displacement.

INDIRECT RESIDENTIAL DISPLACEMENT

The purpose of the indirect residential analysis is to determine if a proposed project would result in adverse real estate market conditions that would displace residents and change the socioeconomic

character of the neighborhood. In particular, the *CEQR Technical Manual* requires that an indirect displacement analysis be conducted when a proposed project has the potential to displace vulnerable renters living in privately held units not protected by rent control, rent stabilization, or other regulations.

As stated in the *CEQR Technical Manual*, the following preliminary assessment determines if a more detailed analysis of indirect residential displacement is needed:

Step 1: Will the Proposed Actions add a new population with higher average incomes compared to the average incomes of the existing population and any new population expected to reside in the study area?

Under the RWCDS, residential development in the Project Area would increase by a net increase of 2,557 dwelling units in the future with the Proposed Actions. An estimated 25 to 30 percent of these dwelling units would be made permanently affordable in qualifying developments pursuant to the MIH program.

The Proposed Actions affect an area with lower household incomes compared to Staten Island and New York City. In 2016, the estimated median household income within the Study Area was $43,071, which was less than $55,191 figure for New York City and Staten Island's median household income of $74,021. Approximately 32 percent of residents in the Study Area lived below the poverty level compared to nearly 13 percent in Staten Island and roughly 20 percent in New York City. Similarly, median home values were lower in the Study Area ($334,960) compared to the borough ($448,000) and New York City ($508,900).

The Proposed Actions would create new affordable housing in the Study Area, addressing current unmet demand. At the same time, the majority of dwelling units created by the Proposed Actions are anticipated to be unregulated, and it is likely that the provision of unregulated units would introduce a population to the Study Area with higher incomes.

According to StreetEasy's 2016 *State of New York City Rent Affordability* report, the North Shore submarket of Staten Island was the only region in the borough where the median rent-to-income burden increased from 2015 to 2016. In addition, the NYU Furman Center's *State of New York City's Housing and Neighborhoods in 2015* report found that median monthly rents for residents who recently moved to Staten Island's Community Board 1, which includes the St. George and Stapleton neighborhoods, increased by 10.9 percent between 2009 and 2014, from $1,229 to $1,363. Conversations with local brokers and developers further indicate that new, unregulated residential development in the Study Area commands higher rents from residents out-priced from other boroughs or interested in residing in proximity to waterfront developments.

Given the potential disparity between the estimated incomes of residents who would live in new unregulated dwelling units in the With-Action Condition and the current median household income of residents living in the Study Area, the preliminary assessment addresses the next step described in the *CEQR Technical Manual*.

Step 2: How large is the expected increase in population due to the Proposed Actions compared to the population of the study area under a No-Action Condition?

There are currently an estimated 26,253 residents living in the Study Area based on 2012-2016 Five-Year ACS estimates. The Proposed Actions could potentially grow the Study Area population to 32,824, an increase of 6,571 residents as compared to the No-Action condition. Between the No-Action and With-Action conditions, the Study Area population could thus increase by up to approximately 25 percent. According to the *CEQR Technical Manual*, if the population increase is greater than 10 percent, then a detailed analysis is required. Therefore, a detailed analysis of indirect residential displacement was conducted, as presented in Section E.

INDIRECT BUSINESS DISPLACEMENT

The *CEQR Technical Manual* defines indirect business displacement as the involuntary displacement of businesses and employees due to socioeconomic changes created by a proposed project. Indirect business displacement may take the form of increasing rents that push out tenants or increasing vacancy rates due to the introduction of retailers that saturate the market.

A preliminary assessment of indirect business displacement determines if a proposed action would introduce an economic trend that makes it difficult for certain businesses to remain in the study area. The *CEQR Technical Manual* classifies businesses eligible for indirect displacement analysis as those that provide products or services essential to the local economy.

Would the Proposed Actions place upward pressure on rents, making it difficult for businesses that provide critical products and services in the local economy to stay in the area?

As outlined in Chapter 2, "Land Use, Zoning, and Public Policy," the Land Use Study Area is largely zoned for light manufacturing and low density residential. Along the waterfront, two Special Purpose Districts (St. George and Stapleton) overlap with the Study Area and are zoned for higher density mixed-use residential and commercial space. The Proposed Actions are consistent with previous and ongoing mixed-use, higher density development in the Study Area and are not expected to have adverse effects on the local economy.

The Proposed Actions would increase the supply of commercial use in the Study Area by 275,348 sf. In the 2030 With-Action Condition, the Proposed Actions would create an estimated 618,583 sf of commercial space in the Project Area, while 343,235 commercial sf is estimated in the 2030 No-Action Condition.

The Proposed Actions include commercial overlay districts (C2-3 and C2-4) in areas currently zoned for light manufacturing and low density residential. The Proposed Actions also include new higher density mixed-use zones (R6/C2-4) consistent with existing development in the neighboring St. George and Stapleton Special Purpose Districts. Under the Proposed Actions, the Special Bay Street Corridor District (SBSCD) would be established, which would allow for zoning consistent with the character of the neighborhood.

New higher density mixed-use commercial spaces in the St. George and Stapleton districts are in demand, but this trend has not to-date placed upward pressure on rents for businesses in the

surrounding area. Based on discussions with local brokers and staff from the Staten Island Chamber of Commerce, new construction and mixed-use developments have not affected the preexisting mix of businesses in the Study Area. The Staten Island Chamber of Commerce reports that retail space along the Bay Street Commercial Corridor has a 22 percent vacancy rate. According to brokers, high commercial vacancy rates have kept commercial rents stable and prevented rents from increasing even with the addition of new commercial developments.

Existing commercial space within the Study Area is predominantly Class B and C. Brokers anticipate that the ongoing and expected development of new Class A commercial office space would capture demand from a different segment of the office market that is unlikely to affect tenants and landlords in preexisting commercial spaces. According to staff from the Staten Island Chamber of Commerce, local merchants generally agree that current rent prices are reasonable and have not been affected by new and upcoming development.

Would the Proposed Actions displace a customer base and/or goods and services critical to the day-to-day needs of businesses in the study area?

The Proposed Actions could potentially directly displace 30 private businesses and institutions that employ an estimated 244 employees across 14 Projected Development Sites. Such potential displacement, however, would be subject to lease terms and agreements between private firms and property owners existing at the time of redevelopment. These businesses offer products and services in the following economic sectors: Retail Trade (13 businesses); Other Services (11 businesses and institutions); Real Estate and Rental and Leasing (1 business); Wholesale Trade (1 business); Arts, Entertainment and Recreation (1 business); Health Services and Social Assistance (1 business); Food Service (1 business); and Finance & Insurance (1 business).

The 30 potentially directly displaced businesses and institutions offer products and services available elsewhere within the Study Area and customers could seek out other businesses in the area to meet their day-to-day needs.

Pursuant to the *CEQR Technical Manual*, the change in customer base between the No-Action and With-Action conditions was assessed in order to identify if the Proposed Actions would harm local businesses. Although the workers and residents located on the Projected Development Sites subject to potential direct displacement form a portion of the local customer base (244 workers and 13 residents), the Proposed Actions would add 2,593 workers and 6,602 residents. Given the net increase of 1,312 workers and 6,571 residents to the customer base, the Proposed Actions would not have significant adverse impacts on other businesses in the Study Area.

Would the Proposed Actions lead to retail market saturation?

The Proposed Actions and associated RWCDS are not expected to lead to retail saturation that would draw sales from businesses in the Study Area such that they would close and commercial vacancies would increase. Retail space would not be concentrated on a few Projected Development Sites, but would develop on 20 sites across the Bay Street and Canal Street Corridors, Disposition Sites, and the Stapleton Waterfront Phase III Sites.

Under the Proposed Actions, retail square footage would increase by 36,461 sf from the No-Action Condition. The net increase in retail space falls below the 200,000 sf threshold set by the *CEQR Technical Manual* and therefore does not require additional analysis of potential retail saturation effects.

CONCLUSION

The Proposed Actions would not create a difficult environment for businesses to stay in the area by placing an upward pressure on rents nor would they directly displace a customer base or goods and services critical to the daily needs of local businesses. Therefore, significant adverse impacts from indirect business displacement are not anticipated and a detailed analysis was not necessary.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

According to the *CEQR Technical Manual*, it may be possible for a proposed project to affect the operation and viability of a specific industry not necessarily tied to a specific location. A detailed assessment on the adverse effects of the Proposed Actions on specific industries is necessary if the following questions cannot be answered with a clear "no":

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

As discussed in the indirect business displacement section, the Proposed Actions would not constitute a significant adverse socioeconomic impact on businesses surrounding the Project Area. New retail development would be spread throughout the Projected Development Sites and would not concentrated in one area; therefore, the Proposed Actions are not anticipated to lead to retail saturation that would negatively affect Study Area businesses.

Most of the potentially directly displaced businesses are not tied to the local economy and neighborhood. With potentially directly displaced businesses representing between less than one to 19 percent of their respective industries within the Study Area, there are an abundance of businesses outside the Project Areas that provide comparable goods and services within the Study Area and relevant trade areas for each category of business and institution: gas stations, car washes, dry cleaners, supermarkets, pharmacies, banks, laundromats, automotive and parts dealers, automotive repair shops, beauty salons, houses of worship, plumbing suppliers, convenient stores, and clothing retailers. The amount of potentially directly displaced employment (244 employees) represents a small fraction of employment within the Study Area (approximately five percent) and Staten Island (less than 0.3 percent).

As discussed in the indirect business displacement section, the Proposed Actions would likely continue the existing development trends that bring mixed residential and commercial land uses to the Study Area. The Proposed Actions would provide new higher density mixed-use zones (R6/C2-4) consistent with existing development in the neighboring St. George and Stapleton Special Purpose Districts.

Additionally, across the 14 sites subject to potential direct business displacement, the Proposed Actions are estimated to increase net employment by 1,312 employees as compared to the No-Action Condition.

Would the project indirectly substantially reduce employment or impair the economic viability in the industry or category of businesses?

The Proposed Actions would not affect citywide policy or any regulatory mechanisms that would impair the economic viability of its industries. Except for a large-format grocery store (Western Beef) occupying a portion of Projected Development Site 5, there is no other category of business that could be potentially directly displaced that is the subject of regulations or plans to preserve, enhance, or otherwise protect it at their current locations. While a large-format supermarket could be directly displaced, there are several comparable supermarkets in the trade area. As discussed in the *Direct Business Displacement* section, the Proposed Actions would not interfere with any of Staten Island's four Business Improvement Districts (BIDs) or three IBZs. The Project Area and Study Area do not physically overlap with any BID or IBZ, and the Proposed Actions would not impact these areas. Furthermore, the Proposed Actions comply with the physical specifications and goals of the special purpose zoning districts in which the Study Area overlaps, including the Special Stapleton Waterfront District, Special St. George District, and the Special Hillsides Preservation District.

The Proposed Actions could directly displace 244 employees from 14 Projected Development Sites but would create 2,593 jobs, resulting in a net increase of 1,312 jobs within the Project Area as compared to the No-Action condition. As further detailed in the *Direct Business Displacement* and *Indirect Business Displacement* sections of the preliminary assessment, the Proposed Actions would not indirectly substantially reduce employment or impair the economic viability in the industries or categories of businesses within or outside the Study Area.

CONCLUSION

As the Proposed Actions are not expected to constitute significant adverse effects on specific industries or categories of businesses, a detailed assessment was not necessary.

E. DETAILED ASSESSMENT OF INDIRECT RESIDENTIAL DISPLACEMENT

Pursuant to the *CEQR Technical Manual* guidance, a detailed assessment of indirect residential displacement is needed if a proposed action has the potential to displace vulnerable renters living in privately-held units without rent control, rent stabilization, or other regulations. As detailed in the preliminary assessment of indirect residential displacement, the Proposed Actions would add a new population with higher average incomes compared to the existing population; the population increase would likely exceed 10 percent in the With-Action Condition, which are both threshold indicators described in the *CEQR Technical Manual*. Therefore, a detailed assessment was conducted to determine if the Proposed Actions would lead to adverse real estate market conditions that would displace residents and potentially change the socioeconomic character of the neighborhood.

EXISTING CONDITIONS

The sections of the detailed analysis provide current demographic, housing, and real estate data and trends in the Study Area. Data are drawn from the most recent Five-Year ACS (2012-2016). Data from the 2000 U.S. Decennial Census is also incorporated to describe longer-term housing and real estate trends.

Compared to Staten Island and New York City, the Study Area has lower average household incomes, and a higher percentage of residents below the poverty line. Since 2000, household incomes in the Study Area have decreased, mirroring citywide trends.

POPULATION

According to the U.S. Census Bureau's latest Five-Year ACS estimates provided in Table 3-9, the Study Area population in 2016 was 26,253, while the 2000 Census reported a Study Area population of 25,216. Since 2000, the population of Staten Island has increased by approximately one percent, and New York City by nearly four percent, respectively.

Table 3-9: Residential Population, 2000 and 2012-2016

	Total Population		Change between 2000 and 2012-2016	
	2000 Census	2012-2016 ACS	Number	Percent Change
Study Area	25,216	26,253[1]	N/A[2]	N/A[2]
Staten Island	443,728	473,324	4,594	1.0%
New York City	8,008,278	8,461,961	286,828	3.6%

Source: *U.S. Census Bureau, Census 2000; and 2012-2016 Five-Year Estimates*
Notes: [1]Based on the margin of error (MOE) for total population within the Study Area (according to the 2012-2016 Five-Year ACS, MOE of 1,304), there is 90 percent probability that the total population of the Study Area is between 24,949 residents to 27,557 residents).
[2] The MOE of the difference between the 2000 Census and 2012-2016 Five-Year ACS Estimates for the Study Area is greater than the estimated difference. Therefore, a change cannot be reported with confidence.

As shown in Table 3-10, the number of households, including family households, has been increasing in the Study Area since 2000. Between 2000 and 2016, the growth in households was even more pronounced: in the Study Area, the number of households increase by approximately 11 percent between 2000 and 2016, as compared to an approximately 3.5 percent increase in New York City and an approximately six percent increase in Staten Island.

Table 3-10: Household Characteristics, 2000 and 2012-2016

	Households			Family Households			Average Household Size	
	2000 Census	2012-2016 ACS	2000-2016 Percent Change	2000 Census	2012-2016 ACS	2000-2016 percent Change	2000 Census	2016 ACS
Study Area	8,439	9,366[1]	11.0%	5,183[2]	6,111	Increase[3]	2.76	2.70
Staten Island	156,341	166,014	6.2%	114,052	122,894	7.8%	2.78	2.81
New York City	3,021,588	3,128,246	3.5%	1,853,223	1,870,015	Increase[4]	2.59	2.65

Source: *U.S. Census Bureau, Census 2000; and 2012-2016 Five-Year ACS Estimates*
Notes: [1]Based on the MOE for households within the Study Area (according to the 2012-2016 Five-Year ACS, MOE of 291), there is 90 percent probability that the total number of households in the Study Area is between 9,075 to 9,657.
[2]Based on the MOE for family households in the Study Area (according to the 2012-2016 Five-Year ACS, MOE of 345), there is 90 percent probability that the number of family households in of the Study Area is between 5,766 to 6,456.
[3]The MOE of the difference between 2000 Census and 2012-2016 Five-year ACS data for the Study Area is greater than one-third of the estimated difference. Therefore, a percentage change cannot be estimated with confidence.
[4]The MOE of the difference between 2000 Census and 2012-2016 Five-year ACS data for New York City is greater than one-third of the estimated difference. Therefore, a percentage change cannot be estimated with confidence.

In 2016, there were an estimated 9,366 households in the Study Area with an average household size of 2.70 people (see Table 3-10). Staten Island had an average household size of 2.81 in 2016 and New York City had an average household size of 2.65, respectively.

Household income characteristics for the Study Area population are described using the average and median household incomes. As presented in Table 3-11, the 2012-2016 ACS data estimates the average annual household income within the Study Area to be approximately $57,660, which is lower than the average household incomes for Staten Island ($92,152) and New York City ($88,437). The Study Area's average household income has decreased since 2000, which is consistent with the decrease experienced in Staten Island (-7.5 percent) over the same time period. The average household income in New York City has increased since 2000.

As average income can be significantly affected by extreme outliers (both high and low) within the data, median household income for the Study Area, Staten Island, and New York City is also provided in Table 3-11. As shown in Table 3-11, based on 2012-2016 ACS data, the median household income in the Study Area is approximately $43,071. Similar to the Study Area's median household income, the Study Area's average household income is lower than Staten Island ($74,021) and New York City ($55,191), and has decreased since 2000.

Table 3-11: Household Income Characteristics, 2000, and 2012-2016

	Median Household Income			Mean Household Income		
	2000 Census[1]	2012-2016 ACS	2000-2016 Percent Change	2000 Census[1]	2012-2016 ACS	2000-2016 Percent Change
Study Area	**$50,884**	**$43,071[2]**	**Decrease[3]**	**$66,114**	**$57,660[3]**	**Decrease[4]**
Staten Island	**$81,895**	**$74,021**	**-9.6%**	**$99,613**	**$92,152**	**-7.5%**
New York City	**$56,978**	**$55,191**	**-3.1%**	**$87,052**	**$88,437**	**Increase[5]**

Source: *U.S. Census Bureau, Census 2000; and 2012-2016 Five-Year ACS Estimates*

Notes: [1] All dollar figures have been adjusted to 2016 dollars based on the U.S Department of Labor Consumer Price Index for the New York-Newark-Jersey City Metropolitan Region,

[2] Based on the MOE for median household income within the Study Area (according to the 2012-2016 Five-Year ACS, MOE of 4,634), there is 90 percent probability that the median household income in the Study Area is between $38,437 and $47,705.

[3] Based on the MOE for mean household income within the Study Area (according to the 2012-2016 Five-Year ACS, MOE of 2,769), there is 90 percent probability that the mean household income in the Study Area is between $54,891 and $60,429.

[4] The MOE of the difference between 2000 Census and 2012-2016 ACS data for the Study Area is greater than one-third of the estimated difference. Therefore, a percentage change cannot be estimated with confidence.

[5] The MOE of the difference between 2000 Census and 2012-2016 ACS data for New York City is greater than one-third of the estimated difference. Therefore, a percentage change cannot be estimated with confidence.

As presented in Table 3-12, the based on 2012-2016 ACS data, household income distribution in the Study Area was similar to that of New York City, both of which were skewed towards a greater proportion of lower-income households and a smaller proportion of high-income households, when compared to Staten Island. In the Study Area, slightly more than 56 percent of households earned less than $50,000 per year, and nearly 42 percent earned between $50,000 and $200,000.

Table 3-12: Household Income Distribution, 2012-2016

	Total Households	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		Households Earning $200,000 or more	
	Number	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Study Area	9,366	3,286	35.1%	1,992	21.3%	2,498	26.7%	1,403	15.0%	N/A[1]	N.A.[1]
Staten Island	166,014	32,181	19.4%	26,663	16.1%	46,600	28.1%	47,604	28.7%	12,966	7.8%
New York City	3,128,246	822,877	26.3%	620,856	19.8%	822,378	26.3%	601,540	19.2%	260,595	8.3%

Source: *U.S. Census Bureau, ACS 2012-2016 Five-Year Estimates*
Notes: [1] The ACS data are not statistically reliable and therefore, cannot be reported with confidence.

As shown in Table 3-13, based on 2012-2016 ACS data, approximately 32 percent of residents in the Study Area are living at or below 100 percent of the poverty level, and roughly 18 percent of residents are living at or below 50 percent of the poverty level. Similar to Staten Island, the percentages of residents living at or below the poverty level and at or below 50 percent of the poverty have increased since 2000, whereas in New York City poverty rates have declined. As compared to both Staten Island and New York City, poverty levels in the Study Area continue to remain higher. Based on 2012-2016 ACS data, the number of residents living at or below the poverty level in the Study Area is roughly 19 percentage points higher than that of Staten Island (12.9 percent), and nearly 12 percentage points higher than New York City (20.3 percent).

Table 3-13: Percent of Population below the Poverty Line, 2000 and 2012-2016

	Below 100% of Poverty Level		Below 50% of Poverty Level	
	2000 Census	2012-2016 ACS	2000 Census	2012-2016 ACS
Study Area	26.7%	32.1%[1]	14.4%	18.2%[1]
Staten Island	10%	12.9%	5.2%	6.7%
New York City	21.2%	20.3%	11.1%	8.8%

Source: *U.S. Census Bureau, Census 2000; and 2012-2016 Five-Year ACS Estimates*
Notes: [1] Based on the MOE for percent of population below the poverty level within the Study Area (according to the 2012-2016 Five-Year ACS, MOE of 4.3%), there is 90 percent probability that the poverty rate in the Study Area is between 27.8% and 36.4%.
[2] Based on the MOE for percent of population below 50 percent of the poverty level within the Study Area (according to the 2012-2016 Five-Year ACS, MOE of 2.6%), there is 90 percent probability that percentage persons below 50 percent of the poverty level in the Study Area is between 15.6% and 20.8%.

HOUSING STOCK

The housing stock in the Study Area is characterized primarily by detached single-family homes but also contains a sizable supply of semi-detached single-family homes and small walk-up multi-family apartment buildings. In general, the Study Area's housing stock represents a middle-ground between the suburban, detached single-family housing typology of Staten Island and the denser, multi-family apartment character of many New York City neighborhoods.

As shown in Table 3-14, based on 2012-2016 ACS data, there are 10,811 total housing units in the Study Area, reflecting an increase of approximately 17 percent since 2000 (an increase of 1,577 units overall). Total housing units for Staten Island and New York City grew at slightly slower paces between 2000 and 2016 (approximately seven and nearly nine percent, respectively).

As reflected in Table 3-14, based on 2012-2016 ACS data, there are more than 1,400 vacant housing units in the Study Area, which account for approximately 13 percent of the Study Area's total housing units. This vacancy rate is higher than that of Staten Island (approximately seven percent) and New York City (approximately nine percent). Consistent with trends experienced in Staten Island and New York City, the number of vacant housing has increased in the Study Area.

Table 3-14: Housing Units and Vacancy, 2000, and 2012-2016

	2000 Census		2012-2016 ACS		Change 2000 – 2016			
					Total Units		Vacant Units	
	Total Units	Vacant Units	Total Units	Vacant Units	Number	Percent Change	Number	Percent Change
Study Area	9,234	795	10,811[1]	1,445[2]	1,577	17.1%	Increase[3]	Increase[3]
Staten Island	163,993	7,652	178,603	12,589	14,610	8.9%	4,937	64.5%
New York City	3,200,912	179,324	3,436,084	307,838	235,172	7.3%	128,514	71.7%

Source: *U.S. Census Bureau, 2000 Census; and 2012-2016 Five-Year ASC Estimates*
Notes: [1]Based on the MOE for total housing units within the Study Area (according to the 2012-2016 Five-Year ACS, MOE of 207), there is 90 percent probability that the total number of units in the Study Area is between 10,604 to 11,018.
[2] Based on the MOE for vacant housing units within the Study Area (according to the 2012-2016 Five-Year ACS, MOE of 239), there is 90 percent probability that the number of vacant units in the Study Area is between 1,206 to 1,684.
[3] The MOE of the difference between 2000 Census and 2012-2016 ACS data for the Study Area is greater than one-third of the estimated difference. Therefore, a percentage change cannot be estimated with confidence.

As presented in Table 3-15, based on 2012-2016 ACS data, out of the Study Area's 9,366 total occupied housing units, approximately 30 percent were owner-occupied and 70 percent were renter-occupied. The Study Area and New York City have a greater proportion of renter-occupied units, while Staten Island's overall housing supply is much more skewed toward owner-occupied units (approximately 69 percent owner-occupied and 31 percent renter-occupied in 2016).

Table 3-15: Owner-Occupied and Renter-Occupied Units, 2000 and 2012-2016

	2000 Census				2012- 2016 ACS			
	Owner-Occupied		Renter-Occupied		Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Study Area	2,325	27.6%	6,114	72.4%	2,806[1]	30.0%	6,560[2]	70.0%
Staten Island	99,695	63.8%	56,646	36.2%	114,502	69.0%	51,512	31.0%
New York City	912,296	30.2%	2,109,292	69.8%	1,000,242	32.0%	2,128,004	68.0%

Source: *U.S. Census Bureau, 2000 Census; and 2012-2016 Five-Year ACS Estimates*
Notes: [1]Based on the MOE for owner-occupied units within the Study Area (according to the 2012-2016 Five-Year ACS, MOE of 264), there is 90 percent probability that the number of owner-occupied units in the Study Area is between 2,542 to 3,070.
[2] Based on the MOE for renter-occupied units within the Study Area (according to the 2012-2016 Five-Year ACS, MOE of 340), there is 90 percent probability that the number of renter-occupied units in the Study Area is between 6,220 to 6,900.

Table 3-16 presents the age of the housing stock in the Study Area, Staten Island, and New York City. Based on 2012-2016 ACS data, the Study Area has a greater percentage of housing stock that was built in 1939 or earlier (approximately 45 percent), reflecting an overall aging building stock. The next largest share of housing units in the Study Area was constructed between 1960 and 1979 (approximately 21 percent). Approximately nine percent of the Study Area's housing units have been built in 2000 or later. Slightly more than 10 percent of housing units in Staten Island have been constructed in 2000 or later, and about seven percent of the housing stock in New York City has been built in 2000 or later.

Table 3-16: Housing Units by Year Structure Built, 2012-2016

	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
Study Area	4,888	45.2%	1,884	17.4%	2,305	21.3%	735	6.8%	999	9.2%	10,811	100.0%
Staten Island	35,175	19.7%	24,977	14.0%	54,614	30.6%	45,315	25.4%	18,522	10.4%	178,603	100.0%
New York City	1,401,836	40.8%	821,002	23.9%	677,570	19.7%	283,679	8.3%	251,997	7.3%	3,436,084	100.0%

Source: *U.S. Census Bureau, 2012-2016 Five-Year ACS Estimates*

As shown in Table 3-17, the Study Area had a lower median home value ($334,960) and median monthly gross rent ($1,104) in 2016 than both Staten Island and New York City.

Table 3-17: Median Home Value and Median Monthly Gross Rent, 2000 and 2012-2016

	Median Home Value			Median Monthly Gross Rent		
	2000 Census	2012-2016 ACS	2000-2016 Percent Change	2000 Census	2012-2016 ACS	2000-2016 Percent Change
Study Area	$198,797	$334,960[1]	68.5%	$1,028	$1,104[2]	N.A.[3]
Staten Island	$311,128	$448,000	44.0%	$1,104	$1,191	7.8%
New York City	$315,294	$580,900	84.2%	$1,049	$1,294	23.4%

Source: *U.S. Census Bureau, 2000 Census; and 2012-2016 Five-Year ACS Estimates*

Notes:
[1] Based on the MOE for median home value within the Study Area (according to the 2012-2016 Five-Year ACS, MOE of 25,236), there is 90 percent probability that the median home value in the Study Area is between $309,724 to $360,196.
[2] Based on the MOE for median monthly gross rent within the Study Area (according to the 2012-2016 Five-Year ACS, MOE of 75), there is 90 percent probability that the median monthly gross rent in the Study Area is between $1,029 to $1,179.
[3] The MOE of the difference between the 2000 Census and 2012-2016 Five-Year ACS Estimates for the Study Area is greater than the estimated difference. Therefore, a change cannot be reported with confidence.

Table 3-18 presents gross rent as a percentage of household income based on 2012-2016 ACS data. As shown in Table 3-18, approximately 10 percent of households in the Study Area spent less than 15.0 percent of their income on gross rent; approximately 23 percent of households spent between 15.0 and 24.9 percent of their income; approximately 14 percent of households spent between 25.0 and 34.9 percent of their income; and nearly 48 percent of the Study Area's households spent more than 35 percent of their income on rent, reflecting a significant rent burden for many households. The trends for Staten Island and New York City were approximately the same as in the Study Area.

Table 3-18: Gross Rent as Percentage of Household Income, 2012-2016

	Less than 15%		15.0 to 24.9%		25.0% to 34.9%		More than 35%	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Study Area	**657**	**10.0%**	**1,501**	**22.9%**	**941**	**14.3%**	**3,114**	**47.5%**
Staten Island	**5,862**	**11.4%**	**11,083**	**21.5%**	**7,884**	**15.3%**	**21,569**	**41.9%**
New York City	**263,651**	**12.4%**	**447,893**	**21.1%**	**405,968**	**19.1%**	**900,695**	**42.3%**

Source: *U.S. Census Bureau, 2012-2016 Five-Year ACS Estimates*

CURRENT RESIDENTIAL REAL ESTATE MARKET CONDITIONS AND TRENDS

Staten Island's North Shore, which encompasses the Study Area and consists of neighborhoods such as St. George, Stapleton, and Tompkinsville, has long been a desirable location for New York City residents. Access to the Staten Island Railway and St. George Ferry Terminal make the Study Area a particularly attractive location for residents who commute. The 2015 Longitudinal Employer-

Household Dynamics dataset indicates that 77.4 percent of Staten Island residents and 91.4 percent of residents living within the Study Area commute outside of their respective geographies for work.

The Study Area is characterized by its historic town centers, pedestrian-oriented retail corridor, and nearby Tappen and Silver Lake Parks. The Study Area includes recent infill townhouse development as well as a waterfront M1-1 district that will be rezoned for mid-density, mixed-income housing.

Housing prices and rents in the Study Area have traditionally been lower than other boroughs and neighborhoods in Staten Island. However, according to local brokers, new and anticipated development along the waterfront in the North Shore has increased demand for rental properties in the area, leading to rising rents and some demographic changes.

Results from a survey developed by the NYU Furman Center, *State of New York City's Housing and Neighborhoods in 2015*, help illustrate residential real estate market trends for the Study Area. The survey divides Staten Island into three sections: St. George/Stapleton (North Shore), South Beach/Willowbrook (Mid-Island), and Tottenville/Great Kills (South Shore). The Study Area is fully contained within the survey's boundaries for St. George/Stapleton.

As shown in Table 3-19, the median rent for recent movers (households who moved into their unit within 12 months of being surveyed) increased for St. George/Stapleton, between the 2005-2009 and 2010-2014 timeframes at a rate higher than the New York City average.

Table 3-19: Average Rental Rates for Staten Island Regions

	Median Rent for Recent Movers		
	2005-2009	**2010-2014**	**Change**
St. George/Stapleton	$1,229	$1,363	10.9%
South Beach/Willowbrook	$1,488	$1,218	-18.1%
Tottenville/Great Kills	$1,474	$1,507	2.2%
New York City	$1,451	$1,549	6.8%
Source: *NYU Furman Center*			

Increases in median rent have been coupled with stable or declining development of new dwelling units. As shown in Table 3-20, building permits in the Study Area steadily increased from 2011 until 2015, but declined in 2016 and then rebounded in 2017. Data from the NYU Furman Center indicate a similar trend for the St. George and Stapleton neighborhoods, with the rate of authorization for new dwelling unit permits and certificates of occupancy declining after 2016 (see Table 3-21). During this period, New York City saw great variation in these measures but overall, saw annual increases in new dwelling unit permits and a stable rate of certificates of occupancy.

Table 3-20: Study Area Building Permits by Year

	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**Total**
Permits	44	27	24	48	60	89	45	**206**	**543**
Source: *New York City Department of City Planning*									

Table 3-21: New Residential Development

	Dwelling Units Authorized by New Residential Building Permits					Dwelling Units Issued New Certificates of Occupancy				
	2000	2006	2010	2016	2017	2000	2006	2010	2016	2017
St. George/ Stapleton	522	293	106	238	181	839	659	372	808	211
Staten Island	2,660	930	333	748	610	3,364	1,856	816	1,255	671
New York City	15,544	30,325	1,647	15,187	20,599	13,603	24,982	22,995	23,849	25,217

Source: *NYU Furman Center*

In addition to rental properties, homes in the Study Area have also experienced price increases. Median and average home prices for the neighborhoods encompassing and surrounding the Study Area are presented in Table 3-22. In general, most of these neighborhoods have seen consistent increases in home sale prices between 2016 and 2018. Stapleton, Stapleton-Clifton, and Tompkinsville represent the neighborhoods most aligned with the Study Area boundaries (data was not available for St. George). As shown in Table 3-22, both Stapleton-Clifton and Tompkinsville saw increases in average sales prices by 43.8 percent and 42.5 percent, respectively, between the 1st quarter of 2017 and the 1st quarter of 2018, whereas Stapleton experienced 30.0 percent decline during the same time period. During this one-year timeframe, both Stapleton-Clifton and Tompkinsville neighborhoods also saw increases in median sales prices by 43.0 percent (Stapleton-Clifton), and 7.8 percent (Tompkinsville), and Stapleton experienced a 30.2 percent decline.

Table 3-22 Staten Island Home Sale Prices by Neighborhood, 2016-2018

	2016 1Q		2017 1Q		2018 1Q		Percent Change			
							Median Sales Price		Average Sales Price	
	Median Sale Price	Average Sale Price	Median Sale Price	Average Sale Price	Median Sale Price	Average Sale Price	2016 – 2017	2017 – 2018	2016 – 2017	2017 – 2018
New Brighton	$335	$332	$329	$370	$431	$464	-1.8%	31.0%	11.4%	25.4%
Rosebank	$390	$405	$450	$481	$500	$547	15.4%	11.1%	18.8%	13.7%
Silver Lake	$460	$522	$622	$588	$620	$609	35.2%	-0.3%	12.6%	3.6%
Stapleton	$310	$350	$394	$408	$275	$285	27.1%	-30.2%	16.6%	-30.1%
Stapleton-Clifton	$370	$366	$405	$416	$579	$598	9.5%	43.0%	13.7%	43.8%
Tompkinsville	$418	$451	$450	$423	$485	$603	7.7%	7.8%	-6.2%	42.55%
West New Brighton	$354	$385	$415	$420	$410	$415	17.2%	-1.2%	9.1%	-1.2%
Staten Island	**$435**	**$468**	**$490**	**$505**	**$535**	**$508**	**12.6%**	**9.2%**	**7.9%**	**0.6%**

Source: *Real Estate Board of New York: 1st Quarter 2018 New York City Residential Sales Report, 1st Quarter 2017 New York City Residential Sales Report*

As foreclosure data could only be obtained on the zip code level, Table 3-23 presents the number of pre-foreclosure properties and foreclosure filing rates for Staten Island and the two zip codes contained in the Study Area. Zip Codes 10301 and 10304 fully contain the Study Area but span a larger area than just the Study Area. Consequently, the values provided are used to approximate the Study Area's foreclosure filing rate. At a rate of one foreclosure filing for every 1,253 housing units, the Study Area has a lower rate than Staten Island's one in 1,406. Zip Code 10301, which contains the St. George neighborhood, has the lowest foreclosure-filing rate out of Staten Island's 12 zip codes.

Table 3-23: Pre-Foreclosure Properties and Foreclosure Filing Rates for Study Area and Staten Island, 2018

	Pre-Foreclosure Properties	Foreclosure Filing Rates
Zip Code 10301	300	1 in every 1,368 housing units
Zip Code 10304	432	1 in every 1,138 housing units
Study Area Average	**N/A**	**1 in every 1,253 housing units**
Staten Island	**4,647**	**1 in every 1,406 housing units**

Source: *RealtyTrac, July 2018*

Despite the decreased development of new residential units and consistent increases in rent and housing prices, there is evidence that the current residential real estate market is not yet contributing to residential displacement of low-income residents. Discussions with local brokers and developers have indicated that the residential market in the Study Area has become segmented between demand for new, high-end residential buildings and existing residential units. Market demand for housing from residents living outside of the borough has been geared towards new, high-end buildings, with little demand for older units in one- to four-family row homes where low-income residents currently reside. As seen in Tables 3-14, slightly more than 13 percent of the Study Area's 10,811 residential housing units were vacant in 2016. With housing available to current residents, there has been minimal upward pressure on older rental housing stock.

ESTIMATE OF NON-RENT REGULATED HOUSING AND LOW-INCOME RENTERS

According to the *CEQR Technical Manual*, the detailed assessment of indirect residential displacement is used to identify those populations that may be vulnerable to displacement resulting from the Proposed Actions. Specifically, a detailed analysis is required to identify low-income tenants who live in unprotected, private rental housing and who could not afford expected increases in rent due to the Proposed Actions. The following sections provide data on the quantity of regulated and unregulated housing within the Study Area, and estimate the proportion of Study Area residents who are potentially vulnerable to indirect displacement.

The *CEQR Technical Manual* requires that protected and unprotected housing units are identified in the Study Area. A variety of city, state, and federal programs that regulate rising rents and provide rental support to low-income families are available to residents living within the Study Area. In particular, the following programs are active within the Study Area: Rent Stabilization; Public Housing; Mitchell-Lama Housing; Project-Based Section 8; and Section 202/811, which provides affordable housing for the elderly and people with disabilities. According to the New York City Rent Guidelines Board, rent stabilized apartments are generally in rental buildings with six or more units and that were built before January 1, 1974. Rent stabilized buildings in the Study Area were identified using the most recent Staten Island Rent Stabilized Building List (2014) produced by the NYSHCR. Other data was drawn from the NYCHA and the Furman Center's Subsidized Housing Information Project (SHIP).

Table 3-24 summarizes the estimated number of rent regulated housing units within the Study Area. These figures do not account for residents of the Study Area who may be eligible for and use Section 8 vouchers to subsidize their rents. When taken into account, these Section 8 vouchers and new affordable units would increase the supply of rent-regulated units; therefore, excluding these units is a conservative approach for assessing impacts on vulnerable low-income renters.

Table 3-24: 2016 Housing Units in Rent-Regulated Buildings

Type	Income Restrictions	Number of Units
Rent Stabilization Program	No	1,981*
NYCHA	Yes	1,195
Mitchell-Lama	Yes	454
Section 202/811	Yes	65
Project-Based Section 8	Yes	172
Total Rent-Regulated Units		**3,867**

Source: *NYC Housing Preservation and Development, NYC Housing Authority, Furman SHIP Database, NY State Division of Homes and Community Renewal*
Notes: **This figure represents all units within buildings that are identified by the NY State Division of Homes and Community Renewal as containing rent stabilized apartments.*

As Table 3-24 shows, there are an estimated 3,867 housing units in buildings with rent-regulated apartments in the Study Area. Slightly less than half of the rent-regulated apartments have income restrictions for residents. As shown in Figure 3-3, buildings with rent-regulated housing are not concentrated in one geographic location in the Study Area, but rather generally dispersed throughout the Study Area.

Table 3-25 summarizes rental housing as a proportion of total occupied housing units for the Study Area and borough. According to housing and population data from the 2012-2016 Five-Year ACS Estimates, there were 6,560 renter-occupied housing units within the Study Area. Renter-occupied housing units accounted for 70 percent of housing units in the Study Area, compared to 31 percent of housing units in Staten Island. Using the average household size of 2.57 as a multiplier, an estimated 16,859 residents occupied rental housing units in the Study Area in 2016.

Table 3-25: Renter-Occupied Housing Units in Study Area, 2012-2016

	Study Area	Staten Island
Total Occupied Housing Units	9,366	166,014
Renter-Occupied Units	6,560	51,512
Renter-Occupied Units as Percent of Total Housing Units	70.0%	31.0%
Estimated Number of Residents Living in Renter-Occupied Units	16,859[1]	144,749

Source: *U.S. Census Bureau, 2012-2016 Five-Year Estimates*
Notes: *[1]Based on an average household size for renter-occupied units of 2.57 persons, which was taken from 2010-2014 ACS Five-Year Estimates, for Staten Island census tracts 3, 7, 11, 21, and 27.*

According to the *CEQR Technical Manual,* the detailed analysis of indirect residential displacement should identify the number and location of unprotected housing units in the Study Area, and ultimately identify the population at risk of indirect displacement due to the Proposed Actions. The vulnerable rental population in the Study Area subject to potential displacement was calculated using the following steps:

1. Estimate the low-income rental population in the Study Area.

2. Estimate the low-income rental population living in unprotected units in the Study Area.

The calculations to follow are summarized in Table 3-28.

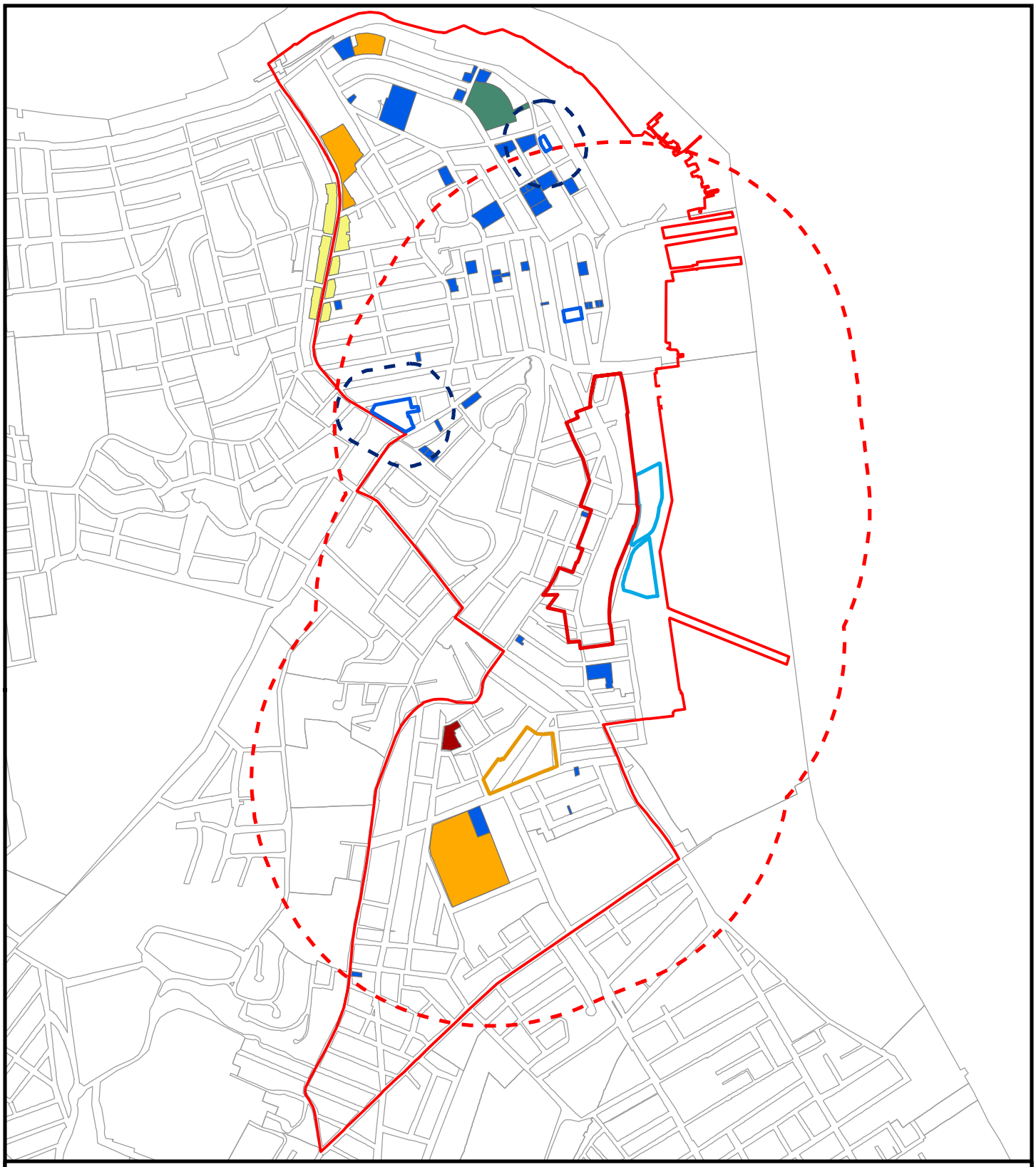


FIGURE 3-3: BUILDINGS WITH RENT PROTECTED HOUSING IN THE STUDY AREA
BAY STREET CORRIDOR REZONING AND RELATED ACTIONS

STATEN ISLAND, NY

Map Reference: NYC Housing Authority, NYCHPD, NY State Division of Homes and Community Renewal, NYU Furman Center Subsidized Housing Information Project

Prepared by Langan

For the first step, data was drawn from the U.S. Census Bureau's Public Use Microdata Sample (PUMS), which provides detailed data on renter populations and income. PUMS delineates data into microdata areas (or PUMAs) that build upon county and census tract maps and contain at least 100,000 people.

The proportion of low-income renters within the Study Area was estimated by calculating the proportion of low-income renters in the corresponding PUMA (3903), where low-income is defined as 80 percent of the area median income (AMI) by actual household size in the Study Area. Since the PUMA survey was conducted between 2012-2016, household incomes were converted into 2016 dollars and 2016 income limits defined by HUD were used to determine the proportion of low-income renter households (see Table 3-26). Within the PUMA covering the North Shore of Staten Island, there were 26,885 renter households in 2016. Of those, 12,582 renter households (46.8 percent of the overall renter population) had a household income at or below 80 percent AMI.

Table 3-26: Low-Income Renters, PUMA 3903, 2012-2016

Household Size	80% AMI Income Limit	Renter-Occupied Households at or below 80% AMI*
1	$50,750	4,674
2	$58,000	3,409
3	$65,250	1,648
4	$72,500	1,233
5	$78,300	817
6	$84,100	510
7	$89,900	119
8+	$95,700	179
Total Low-Income Renter-Occupied Households		12,589
Total Renter-Occupied Households		26,885
% Low-Income Renters		46.8%

Source: *2016 Public Use Microdata Sample; U.S. Department of Housing and Urban Development*
Notes: **Values are Rounded*

PUMA data on renter income provides the best representation of renter incomes within the Study Area; therefore, it is assumed that approximately 46.8 percent of renters in the Study Area fall into the low-income category. Applying this proportion of low-income renters to the number of rental housing units (6,560 units, Table 3-25), it is estimated that 3,070 rental units are occupied by low-income tenants in the Study Area. Applying the average household size for renters in the Study Area, it is estimated that there are 7,890 low-income renters in the Study Area (see Table 3-27).

To approach the second step, estimating the low-income rental population living in unprotected units within the Study Area, units in buildings containing rent-regulated apartments (see Table 3-24) were divided into protected and unprotected housing units. It is assumed that apartments within buildings with rent-stabilized units, public housing, Mitchell-Lama developments, Project-Based Section 8 buildings, and Section 202/811 buildings are protected. Units are further divided between those protected units with and without income restrictions.

Table 3-27 provides a breakdown of protected rental housing units in the Study Area. After subtracting 3,867 protected rental housing units from the total number of renter-occupied units within the Study Area, an estimated 2,693 unprotected rental housing units remain. As Table 3-27 shows, these rental units represent approximately 41 percent of renter-occupied housing units

within the Study Area. Table 3-27 also provides an estimate of the low-income renter population living in unprotected units based on an average household size of 2.57 persons. After excluding those residents who currently reside in public and/or other subsidized housing, an estimated 1,753 low-income residents within the Study Area are expected to reside in private, unprotected rental housing units.

Under existing conditions, an estimated 6.7 percent of the current Study Area population (1,753 out of 26,253) are low-income residents living in unprotected rental housing and subject to potential indirect residential displacement (see Table 3-28).

Table 3-27: 2016 Protected and Unprotected Renter-Occupied Housing Units in the Study Area

Rental Housing in the Study Area	Total Unit Count	Units With Low-Income Tenants	Low Income Renters (average household size 2.57 persons)*
Total Renter-Occupied Housing Units	6,560	3,070	7,890
Total Protected Units with Income Restrictions	1,886	1,886	4,847
Total Protected Units without Income restrictions (Rent Stabilized Units)	1,981	502	1,290
Total Unprotected Rental Units *(Total Renter-Occupied minus Total Protected)*	**2,693**	**682**	**1,753**
Unprotected Units as a Percentage of Total Units	**41.0%**		

Source: *NYC Housing Authority, NY State Division of Homes and Community Renewal, U.S. Census Bureau's Public Use Microdata Sample, NYU Furman Center SHIP Database.*
Notes: **Values are Rounded*

Table 3-28: Estimated Low-Income Population Subject to Potential Indirect Residential Displacement within the Study Area, 2016

Section	Row	Components	Total for Study Area	Notes
Low-Income Population in Renter-Occupied Housing	1	Total Population in Renter-Occupied Units in Study Area	16,859	See Table 3-25
	2	Proportion of Low-Income Renter Population in PUMA 3903	46.8%	PUMA 3903
	3	Total Low-Income Renters in Study Area	7,890	Row 1 x Row 2
Population Potentially Subject to Indirect Residential Displacement	4	Total Unprotected Renter-Occupied Units in the Study Area	2,693	See Table 3-27
	5	Total Renter-Occupied Units in the Study Area	6,560	2016 ACS
	6	Estimate of Unprotected Rental Units Occupied by Low-Income Tenants	682	See Table 3-27
	7	Estimate of Low-Income Population Living in Unprotected Renter-Occupied Units in Study Area	1,1,753	See Table 3-27
Percentage of Study Area Population Potentially Vulnerable to Indirect Residential Displacement	8	Study Area Population	26,253	2016 ACS
	9	Low-Income Population Living in Unprotected Rental Housing	1,753	See Row 7
	10	Proportion of Total Population who are Low-Income Renters Living in Unprotected Rental Units	6.7%	Row 9 / Row 8

THE FUTURE WITHOUT THE PROPOSED ACTIONS (NO-ACTION CONDITION)

In order to understand the impacts of the Proposed Actions, the *CEQR Technical Manual* requires an analysis of the 2030 No-Action RWCDS in the Study Area. As outlined in Chapter 2, "Land Use, Zoning, and Public Policy," little residential development is anticipated on the Projected Development Sites for the No-Action 2030 Condition. It is anticipated that there would be a net increase of six dwelling units on two of the Projected Development Sites, leading to a net increase of 15 residents.

Within the Study Area, the amount of development under construction or in pre-development includes 1,513 dwelling units, 212 of which will be affordable, 536,661 square feet of commercial and retail space, and 370 hotel rooms (see Table 3-29). These developments are projected to generate 2,288 workers and 3,888 residents.

Table 3-29: Projects Under Construction or in Pre-development in the Study Area

Project Name	Location	Description
Pavilion Hill Terrace	12 Van Duzer Street	Mixed-use new construction; 10 DUs; 1,000 sf retail; 3 workers; 26 residents
New York Wheel and Empire Outlets	Adjacent to St. George Ferry Terminal	Mixed-use new construction: 350,955 sf commercial; 190 hotel rooms; 1,357 workers
125 Edgewater Street	125 Edgewater Street	Mixed-use new construction: 371 DUs; 24,650 sf commercial; 94 workers; 953 residents
Lighthouse Point Development	Between St. George Ferry Terminal and Stapleton Waterfront	Mixed-use construction and rehabilitation: 109 DUs, 20% affordable; 180 hotel rooms, 113,800 sf commercial; 645 workers; 280 residents
Urban Ready Living (Urby)	7 & 8 Navy Pier Court	Mixed-use new construction: 950 DUs, 20% affordable; 45,000 sf retail; waterfront esplanade; 180 workers; 2,442 residents
631 Bay Street	631 Bay Street	Mixed-use new construction: 6 DUs; 1,733 sf retail; 5 workers; 15residents
533 Bay Street	533 Bay Street	Residential: 67 DUs; 3 workers; 172 residents

Source: *CEQR Access*; New York YIMBY; discussions with project architects; *The Real Deal;* NYCEDC.

A portion of residential units slated for development in and around the Study Area will give preference to residents eligible for affordable housing, as identified by the City of New York and Staten Island's Community Board 1. In addition, the NYSHRC has committed to subsidizing the development of a below-market residential building for elderly residents (see 533 Bay Street in Table 3-29).

The remaining 1,234 new, unregulated units either under construction or in pre-development (see Table 3-29) are not likely to serve low-income residents. The Study Area's 2016 median monthly gross rent, which includes apartments in older buildings, was $1,104. As noted above, according to local brokers, new and anticipated developments are increasing demand for rental properties causing rents to rise and bringing an influx of new residents. In 2016, approximately 50 percent of households spent over 35 percent of their income to afford rent (see Table 3-18). The Study Area is currently experiencing increasing rents and a declining degree of affordability for residents, which would be expected to continue under the No-Action Condition.

Although the Study Area is experiencing rising rents and some new development, local developers indicate that the residential market cannot support the construction of new, multi-family housing without public subsidy. In addition, a June 2015 market and financial study conducted by the real estate consulting firm, BAE Associates, regarding proposed MIH requirements found that the area's weak-to-moderate rental market is not likely to support new multi-family construction. Projects such as Urby and Bay Street Landing are examples of recent, high-end multi-family developments, but the limited supply of similar buildings in the pipeline suggests weak demand for higher-priced housing. Further, as noted in developer interviews, projects like Urby are located in unique, waterfront locations that are able to command higher rents. It is likely any new demand would be accommodated in the near-term through the existing housing supply and modest infill townhouse development marketed toward homeowners. In the longer term, anticipated population growth is expected to

increase demand for housing and encourage residential development without public subsidy. However, it is likely that new investment within the study area would be constrained by the existing low density and manufacturing zoning, and limited new housing opportunities would not be expected to accommodate the needs of the North Shore's diverse population, leading to increased demand and potentially higher rents for unprotected rental units within the study area.

THE FUTURE WITH THE PROPOSED ACTIONS (WITH-ACTION CONDITION)

The *CEQR Technical Manual* specifies that the detailed analysis should determine how the Proposed Actions affect the low-income population living in unprotected, rental housing. The Proposed Actions and related RWCDS for 2030 provide the context for estimating those residents that are potentially vulnerable to displacement.

The Proposed Actions seek to build upon existing place-based assets to increase housing opportunities that accommodate growth and improve the quality of life for residents in the Study Area and surrounding neighborhoods. Specifically, the Proposed Actions would include zoning changes and city investments to:

- Create a vibrant, resilient downtown environment that provides stronger connections to New York Harbor and surrounding neighborhoods;
- Support creation of new housing, including affordable housing, for the broad spectrum of North Shore needs: seniors, young adults, low-, moderate- and middle-income families;
- Support existing and new commercial development by encouraging a pedestrian-friendly commercial corridor between St. George and Stapleton; and
- Align investment in infrastructure, public open spaces, and services in the Bay Street corridor to support current demands and future growth.

The Proposed Actions would modify the zoning in the Project Area to allow higher density commercial and residential uses, including affordable housing and mixed-used spaces. It is anticipated that the Proposed Actions would lead to development over the next 12 years on 30 Projected Development Sites. Residential, mixed-use, and commercial development is anticipated to align with current revitalization efforts in the St. George and Stapleton Waterfront areas of Staten Island's North Shore.

In the 2030 With-Action Condition, the Proposed Actions would lead to a net increase of 2,557 housing units and 6,571 residents within the Study Area. As Table 3-30 shows, compared to the 2030 No-Action Condition, residential development under the Proposed Actions would represent an approximately 18 percent increase in Study Area housing units and nearly 19 percent increase in the Study Area population.

Table 3-30: With-Action 2030 Population and Housing Growth in the Study Area

	2030 No-Action	With-Action Net Increase	Total	Percent Increase
Housing Units	13,973**	2,557	16,530	**18.3%**
Residents	35,270*	6,571	41,841	**18.6%**

Source: *U.S. Census Bureau, and 2010-2014 Five-Year Estimates*
Notes:
**Determined by applying 0.71% annualized growth rate across 16-year period to 2016 population (See Table 3-9)*
***Determined by applying 0.95% annualized growth rate across 16-year period to 2016 housing units (See Table 3-14)*

On the Projected Development Sites, the Proposed Actions are anticipated to increase the number of market-rate and affordable housing units within the Study Area (See Table 3-31). Applying MIH standards, between 25 and 30 percent of all new housing units would be permanently affordable through the Proposed Actions. Although not all affordable housing units developed would serve Study Area residents—at most, 50 percent preference would be given to current residents living within the Community Board—new affordable housing would potentially off-set increasing rents and the further displacement of vulnerable residents living in unprotected, private rental housing within the Study Area.

Table 3-31: 2030 No-Action and With-Action Residential Development on the Projected Development Sites

	Net Increase on Projected Development Sites		Total**	
	Unregulated DUs	Affordable DUs*	DUs	Residents
2030 No-Action Condition	6	0	12	31
2030 With-Action Condition**	70% – 75% of 2,557	25% – 30% of 2,557	2,569	6,602

Source: *NYC Department of City Planning*
Notes: **It is assumed that in the 2030 With-Action Condition a portion of new dwelling units will be set aside for affordable housing. The ranges provided are consistent with MIH standards. On City-owned sites, affordability would be subject to the terms of future disposition. It is anticipated that up to 50 percent of residential units would be affordable on the City Disposition Sites and Stapleton Phase III Sites.*
***DU and resident totals are based on the 2030 No- and With-Action Reasonable Worst Case Development Scenarios.*

INDIRECT RESIDENTIAL DISPLACEMENT ANALYSIS

The detailed assessment of indirect residential displacement is used to identify those populations that may be vulnerable to displacement resulting from the Proposed Actions. The *CEQR Technical Manual* defines indirect residential displacement as the introduction or acceleration of a trend that places upward pressure on rents, making it difficult for residents living in poverty or with low incomes to remain in the study area.

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 impact, 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.

Based on 2016 figures from the U.S. Census Bureau's ACS Estimates and data from the U.S. Public Microdata Sample, an estimated 1,753 low-income residents in the Study Area live in unprotected rental housing (see Table 3-27). This estimate does not account for low-income residents who use Section 8 vouchers to subsidize market rents. Low-income residents living in unprotected rental housing are estimated to comprise less than seven percent of the Study Area's residential population, and represent the population vulnerable to rent increases today that could be vulnerable to rent increases in the future with or without the Proposed Actions, and potentially subject to indirect residential displacement as a result of the Proposed Actions (see Table 3-28).

In the current real estate market, the Study Area is experiencing a gradual increase in median and average rents and home values. From 2015 to 2016, the North Shore of Staten Island saw an increase in the rent-to-income burden on residents. Low-income households are already experiencing rent pressures and the current average asking rents are not affordable to many of existing residents in the Study Area.

At the same time, local developers indicate that there is not enough residential demand in the Study Area to support new multi-family development without public subsidy. Except for recent construction along the waterfront, there has been little new multi-family housing built in the study area that has not received significant government subsidy; this is due in large part to the current restrictive zoning and relatively low rents that could be achieved in the market. In the near term, after the proposed zoning changes go into effect, the construction of multi-family housing is still projected to be infeasible without public subsidy. Due to the market conditions, it is expected that in the near term, new construction in the With-Action condition would be built with public subsidy, and is therefore not expected to introduce a markedly different population or increase residential demand in the Study Area. With housing available to current residents, there has been minimal upward pressure on older rental housing stock.

In the longer term, anticipated population growth is expected to increase demand for housing and encourage residential development without public subsidy. As described above, according to local brokers and developers, the residential market in the Study Area has become segmented between demand for new, high-end residential buildings on the waterfront and existing residential units. Market demand for housing from residents living outside of the borough has been geared towards new, high-end buildings, with less demand for older units in one- to four-family row homes where low-income residents currently reside. However, the Study Area beyond the Project Area, has different characteristics than the directly affected area, in that residential units in the Study Area are largely characterized by small apartment buildings with five or fewer units, and low-rise one-and two-family homes, which are unlikely to be affected by the increase in residential demand in the long-term.

Although the Proposed Actions could introduce a significant amount of market-rate housing into the Project Area at a later date, most of the projected developments would be larger mixed-use residential and commercial developments at higher densities 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. The Proposed Actions would create new opportunities for multifamily rental housing, increasing the total supply and diversity of the existing housing stock. This is expected to relieve potential upward rent pressure on the existing supply of unprotected housing in the study area since, as noted above, in the *Future Without the Proposed Actions* section, the Study Area is currently experiencing increasing rents and a declining degree of affordability for area residents, which would be expected to continue under the No-Action Condition. The Proposed Actions could potentially relieve the indirect residential displacement pressure that unregulated units in small residential buildings would experience under the No-Action condition.

The proposed zoning map and text amendments would permit residential development in an area currently zoned M1-1 along the Bay Street Corridor Project Area, and increase the allowable density along the Canal Street Corridor Project Area. The Proposed Actions are intended to significantly expand the supply of housing within the Project Area by 2030, increasing housing within the Study Area by 2,557 dwelling units as compared to the No-Action condition. Through designating the Bay Street Corridor and Canal Street Corridor as MIH areas, the Proposed Actions would promote the development of permanently affordable housing, which is intended to facilitate mixed-income communities through a requirement that affordable housing units be included in any new qualifying residential development. Between 25 and 30 percent of qualifying developments would be made affordable subject to MIH. In addition, on City-owned sites, affordability would be subject to the terms of future disposition. It is anticipated that up to 50 percent of residential units would be affordable on the City Disposition Sites and Stapleton Phase III Sites. Development as a result of the Proposed Actions is expected to occur over a 12-year period by largely private developers on a site-by-site basis, rather than all at once. As the 30 identified Projected Development Sites within the Project Area are predominantly in private ownership, the timing of the development of those sites is unknown.

Within the current and anticipated real estate market, the Proposed Actions would not introduce a new trend to the Study Area by supporting the development of unregulated housing units. At the same time, the Proposed Actions would create new affordable housing units with the potential to serve those households subject to indirect residential displacement. 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 a net increase of 2,557 units, at least 25 to 30 percent of which would be affordable units, to the Project 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.

In the 2030 With-Action Condition, the Bay Street Corridor and surrounding neighborhoods are expected to remain primarily residential communities where many workers commute to Manhattan. Similar to today, moderate income homeowners would be driving the greatest demand for housing.

The Proposed Actions are an initiative of the Bay Street Corridor Neighborhood Planning Study's mission of creating a more equitable and livable New York City. Community objectives identified by the Plan include a vibrant, resilient downtown; support for existing and new commercial development; coordinated investments in infrastructure and open space; and most pertinent to this assessment, new housing, including affordable housing. Consistent with these goals, the Proposed Actions are not anticipated to substantially change the socioeconomic character of the Study Area and a significant adverse impact related to indirect residential displacement is not anticipated.