HERKIMER-WILLIAMS EIS
Chapter 3: Socioeconomic Conditions

A. INTRODUCTION

This attachment assesses whether the Proposed Actions and associated Reasonable Worst Case Development Scenario (RWCDS) would result in significant adverse impacts to the socioeconomic character of the area surrounding the Project Area in the East New York neighborhood of Brooklyn Community District (CD) 5. As described in the 2021 *City Environmental Quality Review* (CEQR) *Technical Manual*, the socioeconomic character of an area includes its population, housing, and economic activities. Socioeconomic changes may occur when a project directly or indirectly changes these elements. Although some socioeconomic changes may not result in environmental impacts under CEQR, they are disclosed if they would affect land use patterns, low-income populations, the availability of goods and services, or economic investment in a way that changes the socioeconomic character of the area.

As described in **Chapter 1, "Project Description,"** Proposed Actions would facilitate the redevelopment of the several projected development sites within the Project Area. The projected development sites are Projected Development Site 1A (Block 1555, Lot 19), Projected Development Site 1B (Block 1576, Lots 1 and 34), Projected Development Site 1C (Block 1577, Lots 17 and 26), Projected Development Site 1D (Block 1577, Lots 32, 35, 51, and 53), and Development Site 1E (Block 1577, Lots 1, 7, 56, and 58). Additionally, Projected Development Site 2 comprises Block 1576, Lot 9. Projected Development Sites 1A through 1E are under the ownership or control of the Applicant and are coterminous with the LSGD. Projected Development Site 2 is owned by Calvary Church and is not under the ownership or control of the Applicant and is not included within the LSGD. Within the Project Area, no redevelopment would occur on Block 1555, Lot 1 and Block 1576, Lots 13 and 32; therefore, these lots are not considered projected development sites.

Approval of the Proposed Actions would facilitate the development of five new buildings and potentially, a small retail kiosk on the projected development sites in the Project Area. The new mixed-use development on the projected development sites would contain a combined total of approximately 1,589,202 gross square feet (gsf), including approximately 435,766 gsf of commercial office space, 113,760 gsf of commercial retail space, 834,763 gsf of residential space (1,112 dwelling units [DUs][1]), 22,985 gsf of community facility (house of worship) space, and 98,483 gsf of light industrial space for Use Groups III-X[2], as well as approximately 174 accessory parking spaces (approximately 83,445 gsf) and 20,080 sf of publicly accessible area ("PAA") space (the "Proposed Development"). A RWCDS has been established for the Proposed Actions for an analysis year of 2036.

Pursuant to the City's MIH program, up to 20-30 percent or approximately 222-334 units would be designated as permanently affordable at an average of 40-80 percent area median income (AMI)

[1] The Proposed Development on Projected Development Sites 1A through 1E and the development on Projected Development Site 2 provide an average dwelling unit size of approximately 750 square feet (sf).

[2] "Light industrial" specifically refers to Use Group III-X uses outlined in the ZR, which consist of custom manufacturing, wholesale, and accessory uses. These uses are permitted in C6-4 commercial districts and would allow, for example, creative maker spaces in the Proposed Development and/or Alternate Community Facility Scenario.

depending on the selected Option (the Applicant intends to map both Options 1 and 2). In addition to the approximately 222-334 permanently affordable units pursuant to MIH, the Applicant intends to work with the New York City Department of Housing and Preservation (HPD) to allow the proposed DUs in the Proposed Development to be designated as 100 percent affordable units as well, pursuant to available subsidy.

In addition, a second RWCDS (the "Alternate Community Facility Scenario") will be assessed for conservative analysis purposes, where deemed appropriate for any technical area in the Environmental Impact Statement (EIS) where this development scenario serves as the more conservative RWCDS compared to the Proposed Development. Under the Alternate Community Facility Scenario, the Project Area would contain a combined total of approximately 1,620,348 gsf, including approximately 688,065 gsf of residential uses (911 DUs), 461,749 gsf of commercial office space, 137,026 gsf of commercial retail space, 114,691 gsf of community facility space (including 22,985 gsf of house of worship space and 91,706 gsf of higher education space), and 111,933 gsf of light industrial space for Use Groups III-X, as well as approximately 200 accessory parking spaces (approximately 106,884 gsf) and 20,080 sf of PAA space. Pursuant to the City's MIH program, up to 20-30 percent or approximately 182-273 units would be designated as permanently affordable at an average of 40-80 percent AMI depending on the selected Option (as mentioned, the Applicant intends to map both Options 1 and 2). Like the Proposed Development, the Applicant intends to work with HPD to allow the proposed DUs in the Alternate Community Facility Scenario to be designated as 100 percent affordable units, pursuant to available subsidy.

In accordance with 2021 *CEQR Technical Manual* guidance, this socioeconomic assessment considers whether the Proposed Actions could result in significant adverse socioeconomic impacts due to: (1) direct residential displacement; (2) direct business and institutional displacement; (3) indirect residential displacement; (4) indirect business and institutional displacement; and/or (5) adverse effects on specific industries.

B. PRINCIPAL CONCLUSIONS

Direct Residential Displacement

As there are no existing residential uses in the Project Area, and the Proposed Actions are site-specific within the Project Area, the Proposed Actions would not directly displace any existing residential units and residents and would not result in significant adverse socioeconomic impacts due to direct residential displacement.

Direct Business Displacement

A preliminary assessment determined that the Proposed Actions would not result in significant adverse socioeconomic impacts related to direct business displacement. The seven businesses potentially directly displaced by the Proposed Actions do not provide products or services essential to the local economy that would no longer be available to residents and businesses due to the difficulty of relocating. Nonetheless, the Applicant would work to house any potentially directly displaced businesses back into the Proposed Development and/or Alternate Community Facility Scenario, where appropriate. Furthermore, none of the seven businesses in the Project Area are subject to regulations or publicly adopted plans to preserve, enhance, or otherwise protect them. Therefore, the Proposed Actions would not have the potential to

result in significant adverse socioeconomic impacts due to direct business displacement.

Indirect Residential Displacement

A preliminary assessment determined that the Proposed Actions would not result in significant adverse socioeconomic impacts due to indirect residential displacement. The preliminary assessment determined that the average household income of the new population in the With Action condition would be higher than the average household income of the existing population and that the Proposed Actions would increase the socioeconomic conditions study area population by approximately 6.9 percent. According to the preliminary assessment, residential rents are already increasing in the neighborhoods surrounding the Project Area and are expected to continue to increase with or without the Proposed Actions. The Proposed Actions would facilitate new residential development that would replace underutilized properties as well as low-density, low-intensity commercial and light industrial uses and create more housing opportunities for households at a range of incomes, including a substantial number of low-income units, that would further enhance the economic diversity of the socioeconomic conditions study area.

The Proposed Actions are expected to have a stabilizing effect on the housing market in the socioeconomic conditions study area and would allow for new housing opportunities and investments in the socioeconomic conditions study area. The Proposed Actions include a Zoning Map Amendment that would, if approved, permit residential uses and increase the allowable density in the Project Area, which comprises all or portions of four blocks bounded by three wide streets (Fulton Street, Atlantic Avenue, and East New York Avenue) and Van Sinderen Avenue in an area that is well served by public transportation. The introduction of new housing is expected to increase housing opportunities in the socioeconomic conditions study area and is not expected to introduce a trend toward increasing rents. The proposed Zoning Text Amendment to map an MIH Area would ensure new housing created in the Project Area would serve households at a range of incomes. The Proposed Actions would result in the development of up to approximately 1,112 DUs, of which approximately 222-334 would be income-restricted units under MIH Options 1, 2, or 3[3]; however, on a wider scale, the Proposed Actions would not represent a shift from current market trends in the socioeconomic conditions study area but rather add critical housing supply to a local rental market with existing tight conditions, likely aiding overall affordability in the socioeconomic conditions study area. Therefore, the Proposed Actions would not have the potential to result in significant adverse socioeconomic impacts due to indirect residential displacement.

Indirect Business Displacement

A preliminary assessment determined that the Proposed Actions would not result in significant adverse socioeconomic impacts due to indirect business displacement. Concerns defined by the 2021 *CEQR Technical Manual* are whether the Proposed Actions could lead to changes in local market conditions that could lead to increases in commercial property values within the socioeconomic conditions study area, making it difficult for some categories of businesses to remain in the socioeconomic conditions study area, and whether the Proposed Actions could lead to displacement of a use type that directly supports businesses in the socioeconomic conditions study area or brings people to the socioeconomic conditions

[3] In addition to the affordable units that would be required pursuant to the City's MIH program, the Applicant intends to work with HPD to allow all residential units in the Proposed Development to be designated as 100 percent affordable, pursuant to available subsidy.

study area that forms a customer base for local businesses.

The Proposed Actions would not add a new economic activity or add to a concentration of a particular sector of the local economy substantial enough to significantly alter or accelerate existing economic patterns, nor would the Proposed Actions directly or indirectly displace uses that provide critical support to businesses in the socioeconomic conditions study area, or that bring people into the socioeconomic conditions study area that form a substantial portion of the customer base for local businesses. The Proposed Actions are intended to promote job and business growth by facilitating mixed-use development, including residential, commercial, community facility, and light industrial uses near established residential neighborhoods in a transit accessible area of the City that features regional access to other major hubs beyond East New York.

The Proposed Actions would expand the allowable uses and increase the allowable density in the Project Area to provide additional flexibility for economic growth. Compared to the No-Action condition, the Proposed Actions would facilitate up to approximately 1.5 million gsf of net new mixed-use development, including affordable and potentially market-rate residential uses, as well as commercial uses, community facility uses, and light industrial uses under the Alternate Community Facility Scenario in the Project Area. However, the broader socioeconomic conditions study area has well-established commercial and manufacturing zoning districts along Fulton Street and in the East New York Industrial Business Zone (IBZ), and the Proposed Actions would not add a new economic activity. Therefore, the Proposed Actions would not have the potential to result in significant adverse socioeconomic impacts due to indirect business displacement.

C. METHODOLOGY

Under CEQR, the socioeconomic character of an area is defined by its population, housing, and economic activities. The assessment of socioeconomic conditions usually distinguishes between the socioeconomic conditions of an area's residents and businesses. However, proposed action(s) affect either or both of these segments in similar ways: they may directly displace residents or businesses; or they may alter one or more of the underlying forces that shape socioeconomic conditions in an area and thus may cause indirect displacement of residents or businesses. The objective of the CEQR analysis is to disclose whether any changes created by the proposed action would have a significant impact compared with what would happen in the future without the proposed action (i.e., the "No-Action condition").

Direct displacement is defined as the involuntary displacement of residents, businesses, or institutions from the actual site of (or sites directly affected by) a proposed action. Examples include the proposed redevelopment of a currently occupied site for new uses or structures, or a proposed easement or right-of-way that would take a portion of a property and thus render it unfit for its current use. Since the occupants of a particular site are usually known, the disclosure of direct displacement focuses on specific businesses and employment and an identifiable number of residents and workers.

Indirect or secondary displacement is defined as the involuntary displacement of residents, businesses, or employees in an area adjacent to, or close to, a project site that results from changes in socioeconomic conditions created by a proposed action. Examples include increasing residential rents in an area that result from a new concentration of higher-income housing introduced by a project, which ultimately could make existing housing unaffordable to lower-income residents; a similar turnover of industrial to higher-rent commercial tenancies induced by the introduction of a successful office project in an area; or the

flight from a neighborhood that can occur if a proposed project creates conditions that break down the community (such as a highway dividing the area). Unlike direct displacement, the exact occupants to be indirectly displaced are not known. Therefore, an assessment of indirect displacement usually identifies the size and type of groups of residents, businesses, or employees potentially affected. Even if a proposed action does not directly or indirectly displace businesses, it may affect the operation and viability of a major industry or commercial operation in the City. An example would be new regulations that prohibit or restrict the use of certain processes that are critical to certain industries. In these cases, the CEQR review may involve the assessment of the economic impact of the project on the specific industry in question.

Determining Whether a Socioeconomic Assessment is Appropriate

According to the 2021 *CEQR Technical Manual*, a socioeconomic assessment should be conducted if a project may be reasonably expected to create socioeconomic changes in the area affected by the project that would not be expected to occur in the absence of the project. The following screening assessment considers threshold circumstances identified in the 2021 *CEQR Technical Manual* and enumerated below that can lead to socioeconomic changes warranting further assessment.

As described previously, two RWCDS have been identified for the Proposed Actions, which would facilitate new development in the Project Area. The incremental change that would result from the Proposed Development would be the net addition of approximately 1,112 DUs (approximately 222-334 of which would be income-restricted units under MIH Options 1, 2, or 3), 426,766 gsf of commercial office space, 113,760 gsf of retail space, 48,061 gsf of light industrial space, 10,081 gsf of community facility (house of worship) space, 143 off-street parking spaces, and 20,080 sf of PAA space in the Project Area. The incremental change in residents and workers that would result from the Proposed Development is the net addition of approximately 3,225 residents and 2,174 workers[4], as compared to the No-Action condition.

The incremental change that would result from the Alternate Community Facility Scenario would be the net addition of approximately 911 DUs (182-273 of which would be income-restricted units under MIH Options 1, 2, or 3), 452,749 gsf of commercial office space, 137,026 gsf of retail space, 61,511 gsf of light industrial space, 101,787 gsf of community facility space (of which, approximately 10,081 gsf would consist of house of worship space, and up to approximately 91,706 gsf would consist of academic university space), 169 off-street parking spaces, and 20,080 sf of PAA space in the Project Area. The incremental change in residents and workers that would result from the Proposed Actions under the Alternate Community Facility Scenario is the net addition of approximately 2,642 residents and 2,629 workers, as compared to the No-Action condition.

Direct Residential Displacement: Would the project directly displace residential population to the extent that the socioeconomic character of the neighborhood would be substantially

[4] As detailed in **Chapter 1, "Project Description,"** the No-Action and With-Action worker estimates are based on the following assumptions: one worker per 250 sf of commercial office space; three workers per 1,000 sf of retail space; three workers per 1,000 sf of community facility space; one worker per 1,000 sf light industrial space; one worker per 25 DUs, and one worker per 50 attended parking spaces. The worker generation rates have been sourced from the *Gowanus Neighborhood Plan FEIS* (CEQR No. 19DCP157K). The No-Action and With-Action residential population is based on 2020 Census data for the average household size for dwelling units in Brooklyn CD 5 (i.e., 2.90 persons per household).

altered? Displacement of fewer than 500 residents would not typically be expected to alter the socioeconomic character of a neighborhood.

As there are no existing residential uses in the Project Area, and the Proposed Actions are site-specific within the Project Area, the Proposed Actions would not have the potential to result in any direct displacement of existing residential units. Moreover, the Project Area is zoned M1-2, which does not permit residential uses under existing conditions. Therefore, a detailed analysis of direct residential displacement is not warranted for the Proposed Actions and no significant adverse socioeconomic impacts due to direct residential displacement would occur.

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

The Project Area currently contains several active businesses that could potentially be directly displaced as a result of the Proposed Actions. As these businesses may employ more than 100 workers, the potential for direct business displacement under the Proposed Actions would exceed the 2021 *CEQR Technical Manual* threshold. Therefore, a preliminary assessment of direct business displacement is warranted for the Proposed Actions and is provided in Section D below.

Indirect Displacement due to Increased Rents: Would the project result in substantial new development that is markedly different from existing uses, development, and activities within the neighborhood? Residential development of 200 units or less or commercial development of 200,000-sf or less would typically not result in significant socioeconomic impacts. For projects exceeding these thresholds, assessments of indirect residential displacement and indirect business displacement are appropriate.

The Proposed Actions and associated RWCDS under either the Proposed Development or the Alternate Community Facility Scenario would introduce more than 200 DUs to the Project Area as compared to the No-Action condition, and therefore would exceed the screening assessment threshold warranting a preliminary assessment of indirect residential displacement. As such, a preliminary indirect residential displacement analysis is provided in Section E to assess the potential of the Proposed Actions to result in significant adverse impacts regarding indirect residential displacement.

The Proposed Actions and associated RWCDS under either the Proposed Development or the Alternate Community Facility Scenario would introduce more than 200,000 gsf of commercial uses as compared to the No-Action condition, and therefore would exceed the screening assessment threshold warranting a preliminary assessment of indirect business displacement. The indirect business displacement analysis provided in Section F assesses the potential of the Proposed Actions to result in significant adverse impacts regarding indirect business displacement.

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

The Proposed Actions would not facilitate the development of 200,000 sf or more of retail on a single development site, nor 200,000 sf or more of region-serving retail across multiple sites under either RWCDS. As described above, the Proposed Development would result in the construction of approximately 113,760 gsf of commercial retail space in the Project Area, and the Alternate Community Facility Scenario would result in the construction of approximately 137,026 gsf of commercial retail space in the Project Area. As such, an assessment of indirect business displacement due to retail market saturation is not warranted for the Proposed Actions. Under either RWCDS, the Proposed Actions would result in the development of residential, commercial, community facility, and light industrial uses on portions of four blocks in East New York.

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

In addition to directly or indirectly impacting an area's socioeconomic conditions, a project may also affect the operation of a major industry or commercial operation in the area or citywide. An example would be a rezoning that restricts or prohibits certain types of commercial operations from remaining in an area where they are currently concentrated, or the implementation of new regulations that restrict a certain process that is vital to a particular industry.

The Proposed Actions are not expected to affect conditions within a specific industry, affect a substantial number of workers or residents who are dependent on the goods and services provided by affected businesses, or result in the loss or substantial diminishment of a particularly important product or service within the City. Moreover, the Proposed Actions are site-specific affecting portions of four blocks and would not include any citywide regulatory changes that would have significant adverse effects on the economic or operational conditions of certain types of businesses or processes. Therefore, an assessment of significant adverse effects on specific industries is not warranted as the Proposed Actions would not have the potential to result in significant adverse socioeconomic impacts on specific industries pursuant to CEQR.

Based on the initial screening assessment above, the Proposed Actions warrant preliminary analyses of direct business displacement, indirect residential displacement, and indirect business displacement due to increased rents. These preliminary analyses are provided in Sections D, E, and F of this chapter, respectively.

Analysis Format

Per the 2021 *CEQR Technical Manual*, socioeconomic analyses of direct business displacement, indirect residential displacement, and indirect business displacement begin with preliminary assessments. The purpose of the preliminary assessment is to learn enough about the effects of the Proposed Actions to either rule out the possibility of significant adverse impacts or determine that a more detailed analysis is required to resolve the issue. A detailed analysis, when required, is framed in the context of existing conditions and evaluations of the future without the Proposed Actions and the future with the Proposed Actions by the 2036 analysis year. In conjunction with the land use analysis, specific development projects that are expected to occur in the area in the No-Action condition are identified, as well as the possible changes in socioeconomic conditions that would result, such as potential increases in population, changes

in the income characteristics of the socioeconomic conditions study area, new residential developments, possible changes in rents or sales prices of residential units, new commercial or industrial uses, or changes in employment or retail sales. Those conditions are then compared to the With-Action condition to determine the potential for significant adverse impacts.

Study Area Definition

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

The 2021 *CEQR Technical Manual* explains that for projects that would increase the residential population by more than five percent as compared to the population expected to reside in the quarter-mile study area in the No-Action condition, a half-mile study area is appropriate. The RWCDS associated with the Proposed Actions under the Proposed Development would result in an incremental (net) increase of approximately 1,112 DUs, which would increase the population of the quarter-mile study area by more than five percent as compared to the No-Action condition.[5] Therefore, in accordance with 2021 *CEQR Technical Manual* guidance, the study area for socioeconomic conditions approximates a half-mile perimeter around the directly affected area (i.e., the Project Area).

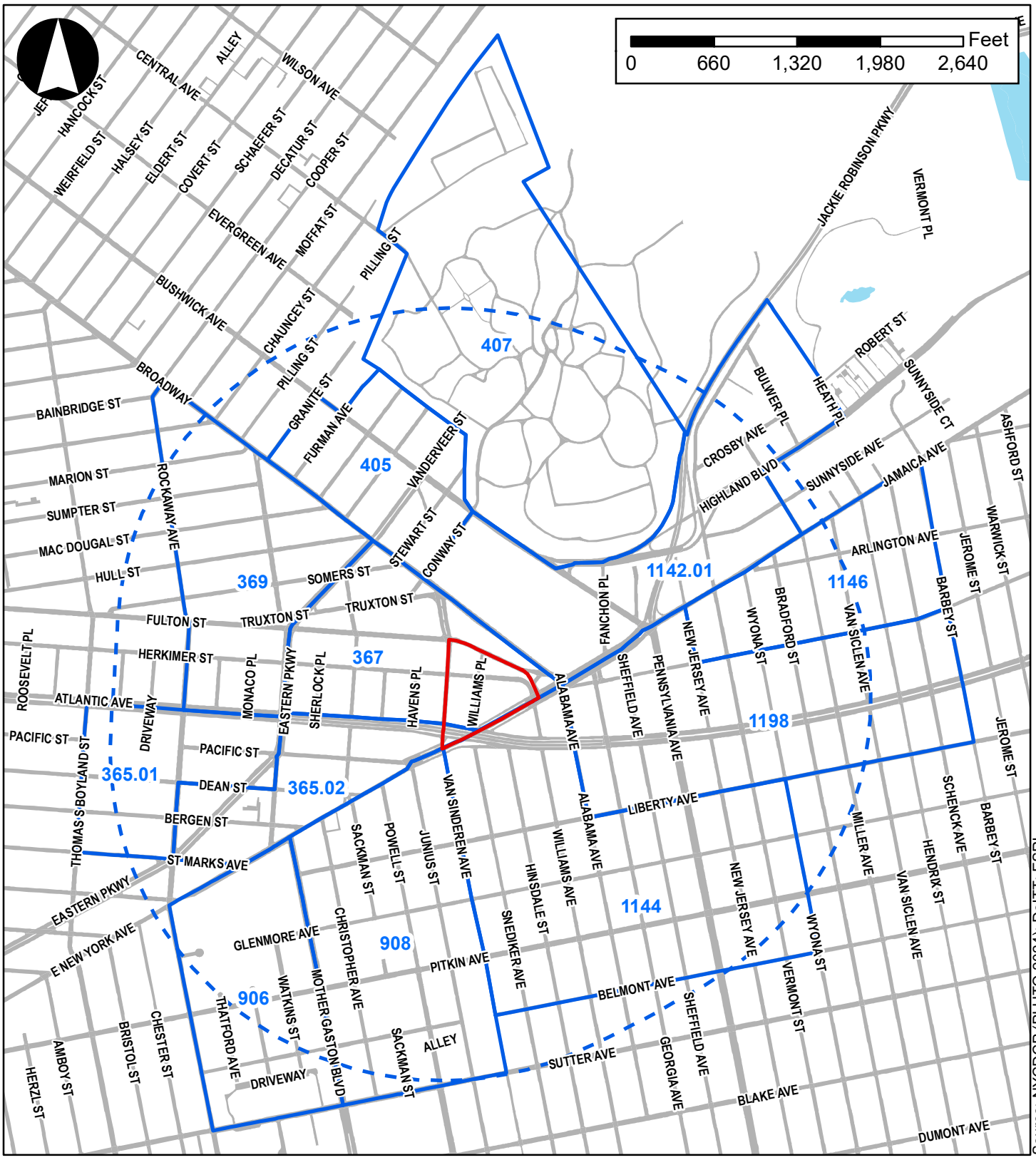
The boundary of the socioeconomic conditions study area was modified to match the census tracts that most closely define a half-mile perimeter surrounding the Project Area (i.e., selects for census tracts that are at least 50 percent within the half-mile perimeter surrounding the Project Area), including census tracts 365.01, 365.02, 367, 369, 405, 407, 906, 908, 1142.01, 1144, 1146, and 1198 (refer to **Figure 3-1**). By conforming to census tract boundaries, the socioeconomic analysis more accurately applies Census data to depict the demographic characteristics of the surrounding study area. In addition, in accordance with 2021 *CEQR Technical Manual* guidance, the indirect residential displacement analysis considers an area "near" the study area (i.e., within a half-mile radius of the study area) to examine real estate market trends and ascertain whether the surrounding area has experienced a readily observable trend toward increasing rents and the likely effect of the Proposed Actions on such trends.

Data Sources

Information used in the socioeconomic analysis includes population, housing, rent, and income data from the U.S. Census Bureau's Census for 2010 and 2020, 2006-2010 and 2018-2022 American Community Survey (ACS) Five-Year Estimates (compiled through the New York City Department of City Planning's

[5] Assumes 100 percent occupancy and an average household size of 2.90 persons, which is based on the average household size of Brooklyn CD 5 according to the 2020 Census. The With-Action condition RWCDS under the Proposed Development would increase the quarter-mile study area population (3,698 people according to the 2020 Census) by an estimated 3,225 people, and 87.2 percent increase.

Socioeconomic Conditions Study Area



Source: NYCDCP (PLUTO 2024); DoITT; ESRI

Legend

Project Area | Half-Mile Radius | 367 Socioeconomic Conditions Study Area

[DCP's] Population FactFinder[6]). The ACS Five-Year Estimates reflect five-year averages of income distribution, mean and median household income, and median rent for the trailing 12 months in inflation-adjusted dollars. Employment data for the socioeconomic conditions study area, the borough of Brooklyn, and New York City were obtained from the U.S. Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) employment data for 2016 and 2021. The employment data gathered identifies the industry sectors that dominate or characterize the socioeconomic conditions study area, borough, and City. Employment data was supplemented by information provided by the Applicant, PHA field surveys, as well as business websites. Real estate property listings and trend data were obtained from online property databases, as well as through current market reports published by Colliers, Cushman and Wakefield, and Corcoran and M.N.S. Real Estate market reports as well as DCP's Primary Land Use Tax Output (PLUTO™) datasets. Real estate property listings and trend data were obtained from Streeteasy.com.[7] AMI for the New York City region was obtained from the U.S. Department of Housing and Urban Development (HUD) via HPD.

D. DIRECT BUSINESS DISPLACEMENT

The 2021 *CEQR Technical Manual* defines direct business displacement as the involuntary displacement of businesses (including institutional uses as employers) from the site of, or a site directly affected by, a proposed project. In accordance with CEQR guidance, displacement of a business or group of businesses is not, in and of itself, considered a significant adverse impact. While all businesses contribute to neighborhood character and provide value to the City's economy, the 2021 *CEQR Technical Manual* specifies considerations for the preliminary assessment of direct business displacement to include:

(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 business is the subject of other regulations or publicly adopted plans to preserve, enhance, or otherwise protect it (as in the case of a designated Industrial Business Zone, for example).

As detailed below, the development generated by the Proposed Actions under either RWCDS could potentially directly displace seven businesses (six private businesses and one public benefit use) that are estimated to employ approximately 100 workers from the Project Area. As such, a preliminary assessment of direct business displacement was conducted, examining the employment and business value characteristics of the potentially displaced businesses. The analysis begins with a description of overall business activities within the Project Area, then describes the businesses and employment that could be potentially directly displaced by the Proposed Actions. CEQR assessment criteria are used to determine whether such displacement could result in significant adverse impacts.

New York City's commercial streets are dynamic, with businesses regularly opening and closing in response to changes in the local economy, local demographics, as well as consumer trends. Therefore,

[6] DCP's Population Factfinder online mapping tool was used to provide comparative Census data between geographies and to determine the margin of error (MOE) for single variable ACS estimates presented for the socioeconomic conditions study area, Brooklyn, and New York City.

[7] StreetEasy is a searchable online database that uses web data extraction to compile an aggregated list of residential property listings from most of New York City's largest brokerage firms and hundreds of small-scale brokers.

through 2036, it is possible that the potentially directly displaced businesses identified could close or relocate for reasons independent of the Proposed Actions. The following estimates are based on current businesses in the socioeconomic conditions study area and the conservative assumption that these businesses would remain in the No-Action condition. As stated, by the 2036 analysis year, it is possible that some of the existing businesses in the Project Area may relocate or close regardless of the Proposed Actions.

PROFILE OF EXISTING EMPLOYMENT IN THE SOCIOECONOMIC CONDITIONS STUDY AREA

The socioeconomic conditions study area includes a variety of businesses. **Table 3-1** shows employment in the socioeconomic conditions study area by industry sector. As shown in **Table 3-1**, in 2021, there were approximately 11,711 private employees in the socioeconomic conditions study area, comprising 1.4 percent of employment in Brooklyn and less than 0.3 percent of employment in New York City.

TABLE 3-1
Estimated 2021 Employment in the Socioeconomic Conditions Study Area, Brooklyn, and New York City

	Study Area		Brooklyn		New York City	
NAICS Industry Sector	**Employment**	**%**	**Employment**	**%**	**Employment**	**%**
Agriculture, Forestry, Fishing, & Hunting	0	0.00%	255	0.03%	469	0.01%
Mining, Quarrying, Oil & Gas Extraction	0	0.00%	48	0.01%	107	0.00%
Utilities	0	0.00%	4,054	0.49%	15,970	0.39%
Construction	560	4.78%	29,857	3.58%	141,882	3.46%
Manufacturing	292	2.49%	16,707	2.00%	52,286	1.28%
Wholesale Trade	384	3.28%	21,526	2.58%	125,235	3.05%
Retail Trade	750	6.40%	72,642	8.71%	285,370	6.96%
Transportation & Warehousing	2,058	17.57%	71,217	8.54%	177,839	4.34%
Information	27	0.23%	12,120	1.45%	228,852	5.58%
Finance & Insurance	46	0.39%	14,733	1.77%	342,755	8.36%
Real Estate, Rental & Leasing	178	1.52%	19,945	2.39%	130,481	3.18%
Professional, Scientific, & Technical Services	90	0.77%	26,515	3.18%	407,523	9.94%
Management of Companies & Enterprises	4	0.03%	2,432	0.29%	68,005	1.66%
Admin. and Support, Waste Management & Remediation	228	1.95%	35,778	4.29%	230,584	5.62%
Educational Services	1,695	14.47%	95,667	11.47%	390,769	9.53%
Health Care & Social Assistance	4,014	34.28%	291,571	34.95%	862,722	21.04%
Arts, Entertainment, & Recreation	28	0.24%	6,876	0.82%	49,791	1.21%
Accommodation & Food Services	302	2.58%	40,139	4.81%	205,899	5.02%
Other Services (excl. Public Admin.)	366	3.13%	24,681	2.96%	144,446	3.52%
Public Administration	689	5.88%	47,375	5.68%	239,118	5.83%
Total	**11,711**	**100%**	**834,138**	**100%**	**4,100,103**	**100%**

Source: Employment data obtained from the U.S. Census Bureau, OnTheMap Application, and LEHD Origin-Destination Employment Statistics.

Like Brooklyn overall, the largest sector of employment in the socioeconomic conditions study area was Health Care and Social Assistance, which accounted for approximately 34 percent of employees in the socioeconomic conditions study area in 2021. The Health Care and Social Assistance sector includes medical offices, health centers, urgent care, hospitals, medical laboratories, nursing homes, and youth and family service centers. Two of the larger health care facilities in the socioeconomic conditions study area include the East New York Health Hub at the corner of Atlantic Avenue and Pennsylvania Avenue and NYC Health + Hospital's Gotham Health East New York at 2094 Pitkin Avenue. Health Care and Social Assistance comprised approximately 35 percent of employment within Brooklyn and approximately 21 percent of employment in New York City.

The Transportation and Warehousing sector represented the second largest employer in the socioeconomic conditions study area in 2021, comprising approximately 17.6 percent of employees in the socioeconomic conditions study area, which is a larger percentage of workers than in Brooklyn (approximately 8.5 percent) and New York City (approximately 4.3 percent). The Transportation and Warehousing sector include industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation. As previously described, the socioeconomic conditions study area includes significant transportation infrastructure and contains the NYCTA's East New York Bus Depot And Railyard, as well as the NYCTA Bus Command Center at Fanchon Place and Jamaica Avenue.

Educational Services, which include establishments that provide instruction and training such as schools colleges, universities and training centers, was the third largest sector of employment in the socioeconomic conditions study area in 2021. It accounted for approximately 14.5 percent of employees in the socioeconomic conditions study area, as compared to approximately 11.5 percent in Brooklyn and approximately 9.5 percent in New York City.

Profile of the Potentially Displaced Private Businesses

The Proposed Actions are site-specific within the Project Area and would facilitate the redevelopment of the several projected development sites within the Project Area. The projected development sites are Projected Development Site 1A (Block 1555, Lot 19), Projected Development Site 1B (Block 1576, Lots 1 and 34), Projected Development Site 1C (Block 1577, Lots 17 and 26), Projected Development Site 1D (Block 1577, Lots 32, 35, 51, and 53), and Development Site 1E (Block 1577, Lots 1, 7, 56, and 58). Additionally, Projected Development Site 2 comprises Block 1576, Lot 9. Projected Development Sites 1A through 1E are under the ownership or control of the Applicant and are coterminous with the LSGD. Projected Development Site 2 is owned by Calvary Church and is not under the ownership or control of the Applicant and is not included within the LSGD. Within the Project Area, no redevelopment would occur on Block 1555, Lot 1 and Block 1576, Lots 13 and 32; therefore, these lots are not considered projected development sites. In the future with the Proposed Actions, under either RWCDS, apart from the existing three-story office building at 2465 Atlantic Avenue (Block 1576, Lot 34) that is to remain, all other existing buildings in the Project Area would be demolished to facilitate higher density development, consisting of five new buildings and potentially, a small retail kiosk in the Project Area. Under either RWCDS, the With-Action condition would introduce residential, commercial office, commercial retail, community facility,

and light industrial space that would replace existing lower intensity commercial, warehouse, and automotive uses, as well as open vehicle storage.

Under either RWCDS, the Proposed Actions could directly displace seven businesses that are estimated to employ approximately 100 workers from the Project Area (refer to **Table 3-2**).[8] The Project Area is divided into Projected Development Sites 1A through 1E and Projected Development Site 2. Under either RWCDS, the Project Area would be redeveloped in stages. While the Applicant would work with existing businesses to relocate them into the Proposed Development and/or Alternate Community Facility Scenario, for CEQR analysis purposes it is nonetheless conservatively assumed that all Project Area businesses would remain in operation in the No-Action condition and, with the exception of the house of worship and the one private business and one non-profit organization/foundation that occupy the existing three-story office building at 2465 Atlantic Avenue (Block 1576, Lot 34), would be displaced in the With-Action condition.

TABLE 3-2
Businesses Subject to Potential Direct Business Displacement at the Project Area Due to Proposed Actions

Projected Development Site	Block/ Lot(s)	Address/location	Approx. Gross Square Footage (GSF)	Name	Type/Economic Sector	Estimated Workers
Projected Development Site 1B	1576/1	45 Van Sinderen Ave.	4,000	Prime Marketing & Sales	Wholesale/Distribution office	4
			4,000	Minimax Decor	Furniture design/showroom/retail distribution center	12
Projected Development Site 1C	1577/17, 26	2488 and 2514 Fulton St.	-	Ahern Painting Contractors	Painting Contractors	7
Projected Development Site 1D	1577/32, 51, 53	1833 East New York Ave.	900	Brooklyn Auto Mall LCC	Retail Trade Use Car Sales	17
	1577/35	1855 East New York Ave.	1,200	BT Automotive	Other Services Automotive repair/service	Less than 5
		1576 Herkimer St.	1,200	Spirited Fabrication	Other Services Automotive repair/service	Less than 5
Projected Development Site 1E	1577/1, 7, 56, 58	33 Williams Pl./1570 Herkimer St.	34,538	NYCTA	Transportation/Warehouse maintenance and repair shop	50

Note: Employment estimates are based on standard industry employment density ratios commonly used for CEQR analyses, as well as field observations (including one worker per 333 sf of retail space and one worker per 1,000 sf of wholesale space).

The existing house of worship, Calvary Free Will Baptist Church, at 1520 Herkimer Street (Block 1576, Lot 9), would remain on Projected Development Site 2 irrespective of the Proposed Actions and would not be directly displaced because of the Proposed Actions. While the Calvary Free Will Baptist Church site is not included in any of the Applicant's projected development sites (and not in the LSGD), the Applicant anticipates incorporating Block 1576, Lot 9 into the Proposed Development and/or Alternate Community Facility Scenario. Therefore, under either RWCDS, the Proposed Actions would increase the square footage of the existing church by approximately 10,081 gsf (from approximately 12,904 gsf in the No-Action condition to approximately 22,985 gsf in the With-Action condition), which would occupy portions

[8] Certain businesses may own the property on which they are located and would not be involuntarily displaced as defined under CEQR, because they would have to be willing to enter an agreement to sell their property and relocate.

of the cellar, ground floor, and floors two and three in a 15-story mixed-use building on Projected Development Site 2.

No direct business displacement is expected to occur at Projected Development Site 1A, as this property is unimproved and does not support any business operations or associated workers. Projected Development Site 1A is comprised of Block 1555, Lot 19 at the northeast corner of Herkimer Street and Van Sinderen Avenue and is owned by the Applicant. It is currently unimproved and is on a short-term lease to an MTA contractor rehabilitating subway tracks. Formerly, Lot 19 has been used as unenclosed parking and storage space.

Direct business displacement is expected to occur on Projected Development Sites 1B, 1C, 1D, and 1E, which are occupied by existing businesses and other organizations and have associated workers, that are expected to remain under the No-Action condition.

Projected Development Site 1B consists of two lots (Block 1576, Lots 1 and 34), which front on the east side of Van Sinderen Avenue between Atlantic Avenue and Herkimer Street and are also owned by the Applicant. Two low-rise buildings, including a two-story warehouse at 45 Van Sinderen Avenue (Block 1576, Lot 1) and a three-story commercial building at 2465 Atlantic Avenue occupy Projected Development Site 1B. The two-story warehouse would be demolished and the three-story commercial building would remain irrespective of the Proposed Actions. The two buildings on Projected Development Site 1B are currently occupied and accommodate three private businesses and a non-profit organization/foundation. With the exception of the one private business and one non-profit organization/foundation that occupy the existing three-story office building at 2465 Atlantic Avenue (Block 1576, Lot 34), the two private businesses on Block 1576, Lot 1 (45 Van Sinderen), which employ approximately 16 workers, would be directly displaced from Projected Development Site 1B.

Projected Development Site 1C includes two irregular-shaped lots (Block 1577, Lots 17 and 26) that are bounded by Fulton Street to the north and east, Herkimer Street to the south, and Williams Place to the west. Both lots are owned by the Applicant. Projected Development Site 1C is unimproved with no existing structures and is currently used for parking, dead storage of vehicles, and storage of construction materials. Projected Development Site 1C is occupied by one private business which is estimated to employ approximately seven workers.

Projected Development Sites 1D and 1E contain eight lots (Block 1577, Lots 1, 7, 32, 35, 51, 53, 56, and 58) and are bounded by Herkimer Street to the north and east, East New York Avenue to the south, and Williams Place to the west. Projected Development Site 1D (Lots 32, 35, 51, and 53) is owned by the Applicant, and Projected Development Site 1E (Lots 1, 7, 56, and 58) is owned by Mystic Display Co., Inc. and currently leased to the Metropolitan Transportation Authority (MTA). Projected Development Site 1D includes a two-story garage at 1576 Herkimer Street, a single-story auto showroom at 1833 East New York Avenue, as well as open storage areas for vehicles. Both buildings are currently occupied and accommodate three private businesses. All three private businesses, which are estimated to employ approximately 27 workers, would be directly displaced from Projected Development Site 1D. Projected Development Site 1E includes two single-story warehouses at 63 Williams Place and 1570 Herkimer Street, as well as open storage areas for vehicles. Both buildings are currently occupied and accommodate a public benefit use (public transportation operator). While it is possible that this use, which is estimated to employ approximately 50 workers, would be incorporated into the Proposed Development and/or

Alternate Community Facility Scenario, for conservative analysis purposes it is assumed that it would be directly displaced from Projected Development Site 1E.

As shown in **Table 3-2**, under either RWCDS, up to approximately 100 estimated employees in six private businesses and one public benefit company are expected to be directly displaced in the Project Area (specifically on Projected Development Sites 1B, 1C, 1D, and 1E) by the Proposed Actions. The six private businesses include one wholesale/distribution facility, one painting contractor, two retail establishments, and two automotive repair shops. With the exception of the public benefit company, all of the businesses are small, employing approximately 17 or fewer workers. It is assumed for CEQR analysis purposes that these businesses would remain in place under No-Action condition and would be potentially directly displaced in the With-Action condition.

CEQR Preliminary Assessment Criteria

According to the 2021 *CEQR Technical Manual*, the following threshold indicators are considered to determine the potential for significant adverse impacts due to direct business displacement.

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

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

The following details the industry sectors within which the potential direct displacement could occur because of the Proposed Actions, and the potential effects on socioeconomic conditions in the socioeconomic conditions study area. **Table 3-3** shows the directly displaced employment by industry sector as a percentage of employment in the socioeconomic conditions study area, Brooklyn, and New York City. In total, the displaced employees represent less than approximately one percent of total employment in the socioeconomic conditions study area and less than approximately 0.01 percent of total employment in Brooklyn.

TABLE 3-3
Estimated Directly Displaced Employment

NACIS Industry Sector	Directly Displaced Jobs	Socioeconomic Conditions Study Area Jobs	Displaced as % of Study Area	Brooklyn Jobs	Displaced as % of Brooklyn
Construction	7	560	1.25%	29,857	0.02%
Wholesale Trade	4	384	1.0%	21,526	0.02%
Retail Trade	29	750	3.9%	72,642	0.04%
Transportation & Warehousing	50	2,058	2.4%	71,217	0.07%
Other Services (except Public Administration)	Less than 10	366	Less than 2.7%	24,681	Less than 0.04%
Total	Up to 100	11,711	Less than 0.9%	834,138	Less than 0.01%

Construction

A single construction operation, Ahern Painting Contractors, occupies the Projected Development Site 1C. Ahern Painting Contractors is a painting contractor that specializes in painting transportation structures, including elevated subway tracks. Ahern Painting Contractors employs an estimated approximately seven workers, which represent approximately 1.25 percent of construction employment within the socioeconomic conditions study area and less than approximately 0.02 percent of construction employment in Brooklyn. Construction contractors typically serve a more regional or greater geographic area than the local neighborhood and would not need to relocate within the local area. The firm could potentially be relocated to other areas of Brooklyn and the larger City.

Wholesale Trade

A single wholesale trade operation, Prime Marketing and Sales, occupies the remainder of the two-story, 8,000 gsf industrial building at 45 Van Sinderen Avenue on Projected Development Site 1B. It is a wholesale distributor and online retailer of scented materials including incense, aroma diffusers, candles, and potpourri. Prime Marketing and Sales employs an estimated approximately four workers, which represent approximately one percent of wholesale employment within the socioeconomic conditions study area and less than approximately 0.02 percent of wholesale employment in Brooklyn. Wholesale establishments typically serve a more regional or greater geographic area than the local neighborhood and would not need to relocate within the local area. The firm could potentially be relocated to other areas of Brooklyn and the larger City.

Retail Trade

Two of the seven potentially directly displaced businesses are retail establishments including Minimax Décor and Brooklyn Auto Mall LLC. Combined, these two retail firms are estimated to employ approximately 29 workers, which account for approximately 3.9 percent of retail employment within the socioeconomic conditions study area and less than approximately 0.04 percent of retail employment in Brooklyn.

Minimax Décor occupies a portion of the two-story, 8,000 gsf building at 45 Van Sinderen Avenue on Projected Development Site 1B. It is an online retailer that is based in Brooklyn, which sells high-quality, space saving furniture. It does not have a showroom or storefront for patrons to visit at Projected Development Site 1B, and therefore serves a larger market than just the local surrounding area and is not dependent on its current location. It could relocate within the socioeconomic conditions study area to a site that permits commercial uses.

Brook Auto Mall LLC occupies portions of three lots (Lots 35, 51, and 53) on Block 1577 (1833 East New York Avenue) on Projected Development Site 1D. The business is a used car sales retail establishment that occupies a site with a large open lot, comprising 25,664 sf and a small office building containing less than 1,000 gsf. It is estimated to employ approximately 17 workers.[9] While this retail establishment serves the local worker and residential populations, it is not uniquely dependent on its current location and could be relocated within the socioeconomic conditions study area to a site that permits commercial uses. Moreover, similar products and services are available at other locations within the socioeconomic conditions study area as well as Brooklyn and the greater City. Within the socioeconomic conditions study

[9] The estimated number of workers is based on one worker per 1,000 sf of building square footage and open lot area.

area, there several other businesses that provide similar products, including: Atlantic Car Sales (2752 Atlantic Avenue); Atlantic Used Car Sales (2688 Fulton Street); Select Auto Dealer Corp (1543 Bushwick Avenue); Major Auto Show (1604 Bushwick Avenue); and Dream Auto Sales (1580 Bushwick Avenue).

Transportation and Warehousing

As described in **Chapter 1, "Project Description,"** the MTA leases the two single-story industrial buildings on Lots 1 and 7 of Block 1577, which front along the east side of Williams Place on Projected Development Site 1E, as well as two adjacent unimproved lots (Lots 56 and 58), which comprise 15,000 sf of lot area. The two industrial buildings contain a total of 34,538 gsf and are utilized as warehouses, parking, shops, and offices for NYCTA's Automated Fare Collection (AFC) and Electronic Maintenance Division (EMD). Lots 56 and 58 provide vehicular access to the adjacent warehouse buildings on Lots 1 and 7 and serve as unenclosed surface parking areas. The MTA is a government-chartered corporation that operates public transportation in the New York City metropolitan area. The MTA Lease Agreement for Lots 1, 4, 56, and 58 was executed in September 2015, and the MTA agreed to a 10-year term set to expire in 2025, with a single five-year renewal option that could be exercised by the MTA to remain in place until 2030.

Other Services (except Public Administration)[10]

Two of the seven firms that would be directly displaced in the With-Action condition are automotive repair and service shops. These two firms combined occupy the two-story, approximately 2,400 sf building with frontage on Herkimer Street and East New York Avenue on Projected Development Site 1D. Both automotive repair shops are estimated to employ approximately five or fewer workers for a total of up to approximately 10 automotive service workers at 1855 East New York Avenue/1576 Herkimer Street. These firms account for less than approximately three percent of Other Services employment within the socioeconomic conditions study area and less than approximately 0.04 percent of Other Services employment in Brooklyn.

Automotive repair uses are not dependent on their location and the Proposed Actions would not prohibit relocation of these businesses to other zoning districts where they are allowed. Automotive repair shops service local residents and workers and are allowed as-of-right in C8 and all M zoning districts in the City. Automotive repair shops require a special permit to locate in C2 and C4-C7 zoning districts. The potentially displaced automotive repair and service shops could relocate within the socioeconomic conditions study area, within Brooklyn, and/or within a broader trade area in the City. There are several other auto repair shops in the surrounding area that provide similar services as the displaced automotive repair businesses. It is expected that there would remain numerous automotive repair and service businesses nearby in the socioeconomic conditions study area, in Brooklyn, and in the City, which would ensure that there are alternative locations to provide this type of service. Moreover, within the socioeconomic conditions study area, there several other businesses that provide similar products, including: Professional Auto Care (3226 Atlantic Avenue); Discount Auto Repair (1649 East New York Avenue); Simtech Auto Repair and Diagnostic

[10] The Other Services (except Public Administration) sector comprises establishments engaged in providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities such as equipment and machinery repairing, promoting or administering religious activities, grantmaking, advocacy, and providing drycleaning and laundry services, personal care services, death care services, pet care (except veterinary) services, photofinishing services, temporary parking services, and dating services. https://www.census.gov/naics/?input=81&chart=2022&details=81

(248 Julius Street); and Cypress Hill Care (2641 Fulton Street).

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

Except for the FRESH Program, there are no other regulations or publicly adopted plans to preserve, enhance, or otherwise protect businesses or institutions currently located in the Project Area. None of the businesses that could be potentially directly displaced because of the Proposed Actions are the subject of regulations or publicly adopted plans to preserve, enhance, or otherwise protect them.

Directly south of the Project Area, within the socioeconomic conditions study area, is the East New York IBZ. As detailed in **Chapter 2, "Land Use, Zoning, and Public Policy,"** the East New York IBZ includes 57 blocks (or portions thereof) in the East New York, Brownsville, and New Lots neighborhoods, and is generally bounded by East New York and Atlantic Avenues to the north, Sheffield Avenue to the east, a boundary approximately 200 feet south of Newport Street to the south, and Powell Street and Christopher Avenue to the west. The area is zoned for industrial uses with the majority of the area mapped within a M1-4 zoning district. IBZs are high-performance industrial and manufacturing areas that provide competitive advantages over locating in areas outside of New York City. IBZs were established to protect existing manufacturing districts, foster economic development, and encourage industrial growth citywide. IBZs serve as a commitment by the City to encourage the retention and growth of industrial and commercial uses and provide expanded business services for industrial and manufacturing businesses. Proposals to rezone industrial land to residential use within IBZs are not supported by the City.

The Proposed Actions would not directly displace any business within the East New York IBZ. In addition to increasing the allowable density and mapping a C6-4 (central commercial) zoning district, the proposed Zoning Map Amendment would retain a high-performance manufacturing zoning district (M1-6) on a portion of the Project Area along the north side of East New York Avenue near the East New York IBZ. The proposed M1-6 zoning district would be mapped along the east side of Williams Place between Atlantic Avenue and Herkimer Street on a majority of Projected Development Site 1E, which would increase the allowable density and provide additional capacity and flexibility for economic growth and investment permitting commercial and industrial uses that meet high performance standards, as well as limited community facility uses. Residential uses would not be permitted in the proposed M1-6 zoning district. The proposed Zoning Map Amendment to map an M1-6 zoning district would be in line with the goals of the East New York IBZ to encourage the retention and growth of industrial and commercial uses and provide expanded business services for industrial and manufacturing businesses.

In the future with the Proposed Actions, the Proposed Actions under the Proposed Development would result in the net addition of approximately 48,061 gsf of light industrial space for Use Groups III-X, while the Proposed Actions under the Alternative Community Facility Scenario would result in the net addition of approximately 61,511 gsf of light industrial space for Use Groups III-X to the Project Area. In addition, in the future with the Proposed Actions, the Proposed Actions under the Proposed Development would result in the net addition of approximately 426,766 gsf of commercial office space and 113,760 gsf of commercial retail space, while the Proposed Actions under the Alternative Community Facility Scenario would result in the net addition of approximately 452,749 gsf of commercial office space and 137,026 gsf of commercial retail space to the Project Area. The incremental change in workers that would result from the Proposed Development is the net addition of approximately 2,174 workers, while the incremental change in workers that would result from the Alternate Community Facility Scenario is the net addition of approximately 2,629 workers. The development of significant commercial and light industrial space on

existing, underutilized properties would help achieve the East New York IBZ's goals of economic development, modernization, and job opportunity for the East New York neighborhood. Therefore, the Proposed Actions would be supportive of the policies of the East New York IBZ.

Based on the above analysis, according to 2021 *CEQR Technical Manual* thresholds, the Proposed Actions would not result in significant adverse socioeconomic impacts due to direct business displacement. The seven businesses potentially directly displaced by the Proposed Actions do not provide products or services essential to the local economy that would no longer be available to residents and businesses due to the difficulty of relocating. Nonetheless, the Applicant would work to house any potentially directly displaced businesses back into the Proposed Development and/or Alternate Community Facility Scenario, where appropriate. Furthermore, none of the seven businesses in the Project Area are subject to regulations or publicly adopted plans to preserve, enhance, or otherwise protect them. Therefore, the Proposed Actions would not have the potential to result in significant adverse socioeconomic impacts due to direct business displacement.

E. INDIRECT RESIDENTIAL DISPLACEMENT

As described in the 2021 *CEQR Technical Manual*, the objective of the indirect residential displacement analysis is to determine whether a proposed project may either introduce or accelerate a trend of changing socioeconomic conditions that may potentially displace a vulnerable population to the extent that the socioeconomic character of the neighborhood would change. Generally, an indirect residential displacement analysis is conducted only in cases in which the potential impact may be experienced by renters living in privately held units unprotected by rent control, rent stabilization, or other government regulations restricting rents, and whose incomes or poverty status indicate that they may not support substantial rent increases. Residents who are homeowners or who are renters living in rent-restricted units would not be vulnerable to rent pressures according to 2021 *CEQR Technical Manual* guidance. The 2021 *CEQR Technical Manual's* step-by-step guide for a preliminary assessment of indirect residential displacement is presented below.

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

Household Incomes

Household income characteristics for the socioeconomic conditions study area population are described using the average (or mean) and median household incomes, as well as a breakdown of income distribution. The median household income represents the mid-point of all household incomes in the socioeconomic conditions study area, and the mean household income is calculated by dividing aggregate income by the total number of households in the socioeconomic conditions study area. The presence of higher- or lower-income households raises or lowers the socioeconomic conditions study area's mean income, sometimes substantially higher or lower than the median of household incomes in the socioeconomic conditions study area.

According to 2018-2022 ACS Five-Year Estimates, the mean annual household income of residents living within the socioeconomic conditions study area is $68,796 as compared to $53,195 in 2006-2010 (refer

to **Table 3-4**).[11] The existing mean annual household income of socioeconomic conditions study area residents is low and comparable to 50 percent of the 2024 AMI of New York City for a family of three.[12] As shown in **Table 3-4**, residents within the socioeconomic conditions study area have lower mean household incomes, as compared to Brooklyn ($114,302) and New York City ($122,667) as a whole.

Trends in the mean household income within the socioeconomic conditions study area, Brooklyn, and greater City indicate that the mean household income is increasing. As shown in **Table 3-4**, the mean household income in Brooklyn increased by approximately 35 percent since 2006-2010, and in New York City by nearly 17 percent. Only the directionality of change in mean household income could be reported with statistical confidence for the socioeconomic conditions study area between the 2006-2010 and 2018-2022 ACS Five-Year Estimates.

TABLE 3-4
Household Income Characteristics within the Socioeconomic Conditions Study Area, Brooklyn, and New York City[1]

	Median Household Income			Mean Household Income		
	2006-2010 ACS	2018-2022 ACS	Percent Change or Directional Change	2006-2010 ACS	2018-2022 ACS	Percent Change or Directional Change
Socioeconomic Conditions Study Area	$41,085	$43,491	-	$53,195	$68,796	Increase
Brooklyn	$58,785	$74,692	+27.1%	$84,542	$114,302	+35.2%
New York City	$67,850	$76,607	+13.1%	$105,106	$122,667	+16.7%

Sources: Bureau of the Census, 2018-2022 and 2006-2010 ACS Five-Year Estimates, as reported on DCP's Population Factfinder in June 2024.
Notes:
* All dollar values have been adjusted to 2022 dollars.
[1] Statistical reliability of the data included in this table has been vetted using DCP's NYC Population FactFinder.
[2] If the MOE of the difference between 2006-2010 and 2018-2022 ACS Five-Year Estimates is greater than the difference, a change cannot be reported with confidence; if the MOE of the difference is greater than one third of the difference, a chance cannot be estimated with confidence and only the direction of change can be reported (i.e., increase/decrease). For the socioeconomic conditions study area, neither the directionality nor the percent change could be reported for the socioeconomic conditions study area's median annual household income, and only the directionality of change could be reported for the socioeconomic conditions study area's mean annual household income with statistical confidence.

In all areas, the median household income is lower than the mean household income, indicating the presence of higher-income households within the socioeconomic conditions study area, larger borough, and overall City (refer to **Table 3-4**). As shown in **Table 3-4**, consistent with the mean household income, the median household income within the socioeconomic conditions study area is lower than the larger borough and City. According to the 2018-2022 ACS Five-Year Estimates, the median household income for

[11] Based on the MOE for the mean household income of the socioeconomic conditions study area according to the 2018-2022 ACS Five-Year Estimates (MOE of $8,014), the average household income is, with 90% confidence, between $60,782 to $76,810. Only the directionality in mean household income between the 2006-2010 and 2018-2022 ACS Five-Year Estimates within the socioeconomic conditions study area can be reported with statistical confidence.
[12] The 2024 AMI for the New York City region is $139,800 for a three-person family (100 percent AMI) and therefore, 50 percent AMI for a three-person family is $69,900. The AMI for a three-person family is used given that the average household size of Brooklyn CD 5 is 2.90, per the 2020 Census.

the socioeconomic conditions study area is an estimated $43,491,[13] as compared to $74,692 for Brooklyn households and $76,828 for New York City households, respectively. The socioeconomic conditions study area's existing median annual household income falls below 30 percent of the 2024 AMI for the New York City region for a three-person family.[14] Like the mean household incomes, the median household incomes within the larger borough and overall City have increased indicating a trend of increasing household incomes.

Table 3-5 illustrates the distribution of household incomes within the socioeconomic conditions study area as compared to the larger borough and City. As shown in **Table 3-5**, the socioeconomic conditions study area has a higher percentage of lower income households than Brooklyn and the City. Approximately 78 percent of households within the socioeconomic conditions study area earned $100,000 or less, as compared to approximately 61 and 60 percent of households in Brooklyn and New York City, respectively. At the higher end of the spectrum, approximately five percent of households earned $200,000 or more, as compared to nearly 15 percent in Brooklyn and approximately 24 percent in New York City.

TABLE 3-5
Household Income Distribution: Socioeconomic Conditions Study Area, Brooklyn, and New York City (2018-2022)

		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	
Total Households		#	%	#	%	#	%	#	%	#	%
Study Area	12,381	4,198	33.9%	2,616	21.1%	2,854	23.1%	2,065	16.7%	648	5.2%
Brooklyn	997,957	203,840	20.4%	162,498	16.3%	242,715	24.3%	240,792	24.1%	148,112	14.8%
New York City	3,282,804	655,649	20.0%	515,571	15.7%	800,254	24.4%	799,063	24.3%	512,267	24.3%

Source: U.S. Census Bureau, 2018-2022 Five-Year Estimates via NYC Population FactFinder in June 2024.
Note: The statistical reliability of the data included in this table has been vetted using DCP's NYC Population FactFinder.

2036 No-Action Condition

In the absence of the Proposed Actions, no zoning changes would occur within the Project Area, and it is anticipated that the current land use trends and general development patterns would continue within the socioeconomic conditions study area. The Project Area would continue to be zoned M1-2 and support lower intensity uses and vacant land. Existing uses are anticipated to remain, and no new development is expected to occur in the Project Area in the No-Action condition. Under the No-Action condition, the existing buildings in the Project Area would remain, and residential use would continue to not be permitted.

The larger socioeconomic conditions study area would continue to support a predominantly residential area with some new development. Housing pressures are expected to continue across the City where the

[13] Based on the MOE for the median household income of the socioeconomic conditions study area according to the 2018-2022 ACS Five-Year Estimates (MOE of $5,152), the average household income is, with 90% confidence, between $38,339 to $48,643.
[14] The AMI for all cities across the country is defined each year by HUD. In the New York City region, 30 percent AMI for a three-person family is $41,940. The AMI for a three-person family is used given that the average household size of Brooklyn CD 5 is 2.90 according to the 2020 Census.

City does not have the right mixture and quantity of housing to meet demand, putting pressure on surrounding neighborhoods including Bushwick, Crown Heights, and Bedford-Stuyvesant.

Following 2021 *CEQR Technical Manual* guidance provided in Chapter 5, Section 320, given that the Proposed Actions have a build year of 2036, the No-Action condition future residential population for the socioeconomic conditions study area is estimated based on known planned development projects (including new buildings, demolitions, and major alterations) that are still under construction, as well as projects that are permitted for construction and those that have filed applications at the New York City Department of Buildings (DOB), which are in a more preliminary stage of development. Additionally, the No-Action condition future residential population accounts for three additional projects that have not yet entered the DOB permitting pipeline but are known projects seeking discretionary approval and would facilitate new residential development by the Proposed Actions' build year of 2036, including the Brownsville NCP (CEQR No. 22HPD065K), the 2111 Atlantic Avenue Rezoning (CEQR No. 23DCP158K), and the Grace Houses (CEQR No. 23DCP108K). Assuming an average household size of 2.79 and a 1.27 percent vacancy rate, these known and planned development projects would introduce up to approximately 7,754 additional residents to the socioeconomic conditions study area in the No-Action condition by 2036 (refer to **Table 3-6**).

TABLE 3-6
Planned No-Action Residential Developments and Estimated Residential Population – Socioeconomic Conditions Study Area by 2036*

Socioeconomic Conditions Study Area	New DUs	Occupied DUs	Additional Residents
Active DOB Permits as of 12/31/23	1,780	1,757	4,903
Active DOB Filings as of 12/31/23	857	846	2,361
Brownsville NCP (CEQR No. 22HPD065K)	61	60	168
2111 Atlantic Avenue Rezoning (CEQR No. 23DCP158K)	81	80	223
Grace Houses (CEQR No. 23DCP108K)	36	36	99
Total No-Action Residential Development	***2,815***	***2,779***	***7,754***

Notes: *Population estimates are based on 2020 Census data. Population estimates assume an average household size of 2.79 and the socioeconomic conditions study area's rental vacancy rate of 1.27 percent.
Source: DCP Housing Database: Project-Level Files for the 4th Quarter of 2023, as of April 2024.

2036 With-Action Condition

In the future with the Proposed Actions, the Proposed Actions would expand the allowable uses, including permitting residential use, and would increase the allowable density within the Project Area. The Proposed Actions would facilitate the development of a considerable amount of new housing, including affordable housing, as well as commercial office and retail space, community facility space, and light industrial space. Under the Proposed Development, the With-Action condition would result in the total development of approximately 1,112 DUs and 278 affordable DUs pursuant to MIH Option 1 (25 percent of DUs at an average of 60 percent AMI), or up to approximately 334 affordable DUs pursuant to MIH Option 2 (30 percent of DUs at an average of 80 percent of AMI) in the Project Area as compared to the No-Action condition.[15] MIH Option 3 is also available, in which up to approximately 222 affordable DUs (20 percent of DUs at an average of 40 percent of AMI) could be developed in the Project Area. The Project Area would be rezoned from M1-2 to C6-4 and M1-6.

[15] In addition to the affordable units that would be required pursuant to the City's MIH program, the Applicant intends to work with HPD to allow all residential units in either the Proposed Development and/or the Alternate Community Facility Scenario to be designated as 100 percent affordable, pursuant to available subsidy.

The proposed C6-4 zoning district would also be designated an MIH Area, which would set mandatory income-restricted housing requirements pursuant to the City's MIH program and require a share of new housing be set aside as permanently income-restricted. The production of permanently income-restricted housing would be a condition of any future residential development within the proposed C6-4 zoning district, which is expected to help preserve income-restricted housing in the area surrounding the Project Area. There would be no expiration to the affordability requirements of housing units created through the City's MIH program, making them a long-term, stable reservoir of income-restricted housing in the surrounding area, a key policy to meet the goals outlined in the City's *Housing Our Neighbors: A Blueprint for Housing and Homelessness* plan, as well as the City's *Where We Live NYC Plan*.

The Proposed Actions would require any new residential development to introduce permanently income-restricted housing as part of any future development program containing residential use. As such, the Proposed Actions would expand housing opportunities in an area of the City where a strong demand for income-restricted and market-rate housing exists. The City's MIH program would provide assurance that new residential development would address the needs of residents at lower-income levels even in the event that local housing market conditions continue to change with the requirement of permanent income-restricted housing.

The minimum number of affordable housing units produced (in the event the Proposed Development and/or Alternate Community Facility Scenario are not 100 percent affordable) and the affordability requirements would depend on which MIH Option is utilized and selected during ULURP. The City Council will select the final MIH Option during ULURP. HPD, as a supporting and regulatory agency, would at a later date establish specific levels of affordability consistent with the requirements of the selected MIH Option for the Project Area in coordination with the Applicant. The affordability requirements would be defined and ensured through regulatory agreements with HPD. The Applicant intends to map both MIH Option 1 and MIH Option 2.

The levels of affordability for the affordable (MIH) housing units would be based on percentages of the HUD-defined AMI for the region.[16] The 2024 income limits by family size for the New York City region are presented in **Table 3-7**.

These levels will change over time, however, based on these data, residents of the income-restricted housing units (averaging 60 and/or 80 percent AMI, depending on which MIH Option is selected during ULURP) are generally expected to have comparable or higher mean household incomes in comparison to the existing income levels of households within the socioeconomic conditions study area (refer to **Table 3-7**). As such, the income-restricted housing added as a result of the Proposed Actions is expected to help maintain a more diverse demographic composition within the socioeconomic conditions study area and would further expand housing opportunities in an area of the City where a strong demand for affordable housing exists. As noted previously, the Applicant intends to map both MIH Option 1 and MIH Option 2

[16] The AMI for all cities across the country is defined each year by HUD. The 2024 AMI for the New York City region is $139,800 for a three-person family (100 percent AMI).

within the Project Area. MIH Option 1 would require 25 percent of DUs to be offered as affordable housing at an average of 60 percent AMI ($83,880 for a family of three).[17]

TABLE 3-7
2024 New York City Area AMI

Family Size	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	100% of AMI	130% of AMI
1	$32,610	$43,480	$54,350	$65,220	$86,960	$108,700	$141,310
2	$37,920	$49,720	$62,150	$74,580	$99,440	$124,300	$161,590
3	$41,940	$55,920	$69,900	$83,880	$111,840	$139,800	$181,740
4	$46,590	$62,120	$77,650	$93180	$124,240	$155,300	$201,890

Source: HPD, https://www1.nyc.gov/site/hpd/services-and-information/area-median-income.page

For conservative analysis purposes, the analysis assumes the MIH Option that would introduce higher household income levels. Based on this assumption, MIH Option 2 is assumed. Under MIH Option 2, approximately 30 percent of a development's residential floor area would be income-restricted and be income-restricted to households earning on average 80 percent AMI (or $111,840 for a family of three in 2024). Based on this assumption, under the Proposed Development, the Proposed Actions would introduce approximately 778 market-rate DUs and approximately 334 DUs occupied by families/residents earning an average of 80 percent AMI under the With-Action condition (a total of 1,112 DUs) in the Project Area.

To estimate the average household income of residents introduced by the Proposed Development, the incomes of future residents in both the market-rate and income-restricted units have been projected. Housing is considered income-restricted if it costs about one-third or less of total household income, as HUD defines families who pay more than 30 percent of their income for housing as rent-burdened.

As shown in **Table 3-7**, according to HUD, three-person families in the New York City region would be eligible for the income-restricted housing units in the Proposed Development within the Project Area if they were earning $111,840 annually, which is 80 percent AMI.[18] Since the socioeconomic conditions study area's average household size is 2.90 persons per household per the 2020 Census, it is assumed that the average income of a family living in an income-restricted unit would be $110,600, which is higher than the socioeconomic conditions study area's current average household income of $68,796 (refer to **Table 3-7**).

Consistent with 2021 *CEQR Technical Manual* guidance, the third quartile of market-rate apartment rents is assumed to represent 30 percent of the introduced population's monthly income for the market-rate apartments, given that new construction tends to be at the higher end of market rents and that 30 percent is the standard threshold for what is considered a non-rent-burdened household. For the market-rate units, research into current market-rate asking rents within the socioeconomic conditions study area (summarized in **Table 3-8**) and the assumption that incoming market-rate renters would be spending

[17] In addition to the affordable units that would be required pursuant to the City's MIH program, the Applicant intends to work with HPD to allow all residential units in either the Proposed Development and/or the Alternate Community Facility Scenario to be designated as 100 percent affordable, pursuant to available subsidy.
[18] https://www1.nyc.gov/site/hpd/services-and-information/area-median-income.page

approximately 30 percent of their household income on rent[19] have been used to estimate the expected income level of future market-rate tenants.

TABLE 3-8
Estimated Third Quartile Asking Rental Rates and Calculated Estimated Household Incomes for the Proposed Development's Market-Rate Units

Unit Type	Number of Apartments Listed[1]	Third Quartile Asking Rent[1]	Estimated Monthly Income[2]	Estimated Yearly Income[2]
Studios	18	$2,240	$7,460	$89,500
1-Bedrooms	47	$2,650	$8,830	$106,000
2-Bedrooms	24	$3,310	$11,030	$132,350
3+ Bedrooms	15	$3,780	$12,590	$151,060
Estimated Weighted Average[3]		**$3,240**	**$10,800**	**$129,560**

Source: Street Easy, http://streeteasy.com/, apartments.com, and redfin.com, accessed in June 2024.
Notes:
[1] Represents the number of apartments listed and the third quartile rent based on June 2024 market listings in the Cypress Hills, East New York, Crown Heights, Bushwick, Brownsville, and Bedford-Stuyvesant neighborhoods.
[2] Household incomes were imputed using HUD's 30 percent guideline and were rounded to nearest tenth for yearly household incomes.
[3] The weighted averages for the Proposed Development's market-rate units were calculated based on a similar mixture of unit types as currently available within the socioeconomic conditions study area based on 2017-2021 Five-Year ACS estimates for the socioeconomic conditions study area.

Assuming that the incoming market-rate renters would be spending approximately 30 percent of their income on rent, a person or household renting a market-rate unit under the Proposed Development is expected to have an average yearly income ranging between $89,500 and $151,060 depending on the unit type (refer to **Table 3-8**). Assuming that the mixture of unit types would be like the current distribution within the socioeconomic conditions study area, a household renting a market-rate unit that would be available under the Proposed Development would have a weighted average income of $129,560. Given that the socioeconomic conditions study area's mean average household income is $68,796 (refer to **Table 3-4**), current asking rents are not affordable to many existing residents in the socioeconomic conditions study area and households are already experiencing rent pressures.

As described above, the Proposed Development would result in an incremental net increase of approximately 1,112 total DUs, of which approximately 334 would be income-restricted to families making an average of 80 percent AMI under MIH Option 2, and, at most, 778 would be market-rate. The average income of a household in an income-restricted unit would be $110,600 annually, and the average income of a household in a market-rate unit would be $129,560. As such, the overall estimated average income of the market-rate and affordable units would be $123,900, which would be higher than the socioeconomic conditions study area's current average household income (refer to **Table 3-4**).

Although the Proposed Actions would introduce affordable income-restricted housing and expand housing options available to range of household income levels in the socioeconomic conditions study area, given the potential difference between the socioeconomic conditions study area's existing average household income and that of the project-generated population, the Proposed Actions would introduce new residents that would have average household incomes that are expected to exceed the average

[19] HUD defines families who pay more than 30 percent of their income for housing as rent burdened.

incomes of the socioeconomic conditions study area's population. Therefore, according to 2021 *CEQR Technical Manual* guidance, Step 2 of the preliminary assessment is warranted.

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

Based on Step 1, Step 2 of the preliminary assessment is warranted for the Proposed Actions. According to 2021 *CEQR Technical Manual* analysis thresholds, if the population increase would be greater than five percent in the socioeconomic conditions study area, the incremental population may be large enough to affect real estate market conditions, and Step 3 of the preliminary assessment is warranted. If the population increase is expected to be more than 10 percent in the socioeconomic conditions study area, a detailed analysis is warranted for indirect residential displacement.

Study Area Population Change 2010 to 2020

Table 3-9 summarizes the change in population within the socioeconomic conditions study area, borough of Brooklyn, and the City as a whole between the 2010 Census and the 2020 Census. According to Census data, in 2020 the socioeconomic conditions study area had a population of 36,179, an increase of approximately 18.3 percent over the 2010 population of 30,577 (refer to **Table 3-9**). In comparison, over the same time, the population of Brooklyn increased by more than nine percent and the population of New York City increased by slightly less than eight percent.

TABLE 3-9
Change in Residential Population, 2010 – 2020

	2010	2020	Percent Change
Socioeconomic Conditions Study Area	30,577	36,179	+18.3%
Brooklyn	2,504,700	2,736,074	+9.2%
New York City	8,175,133	8,804,190	+7.7%

Sources: Bureau of the Census, 2010 Census and 2020 Census.

Estimated Population Change 2020 to 2023

In accordance with *CEQR Technical Manual* guidance provided in Chapter 5 Section 320, the existing population is estimated based on the most recent decennial census (2020 Census) and accounts for the net change of completed DOB construction projects (including new buildings, demolitions, and major alterations), which were completed between April 1, 2020, and December 31, 2023, in the socioeconomic conditions study area. Based on DOB filings, the socioeconomic conditions study area has experienced a

net increase in the housing supply with the addition of approximately 842 DUs between April 2020 and December 2023 (refer to **Table 3-10**).

TABLE 3-10
Socioeconomic Conditions Study Area Residential Population Estimates

	2020 Census		Completed Projects between 4/1/2020 and 12/31/2023			Estimated 2023 Population
	DUs	Residents	Net New DUs	Estimated Occupied DUs	Estimated New Population	
Socioeconomic Conditions Study Area	12,591	36,179	842	831	2,319	38,498

Source: US Census Bureau, 2020 Census and DCP Housing Database: Project-Level Files for the 4th Quarter of 2023, as of April 2024.

Most of the recent residential developments within the socioeconomic conditions study area have consisted of income-restricted housing affordable to a range of household income levels. Some of the larger recent developments include the 136-unit Catholic Charities Pope Francis Apartments at Loreto (2377 Pacific Street) in Ocean Hill, which are affordable units for low-income and formerly homeless seniors with supportive services, the 218-unit 50 Pennsylvania Avenue development in Cypress Hills, which is also 100 percent affordable and consists of rental units marketed to a range of income levels up to 80 percent AMI, and the 67-unit 1860 Eastern Parkway (Harry T. Nance Apartments), which is also 100 percent affordable and targeted to household income levels up to 80 percent AMI.

Assuming an average household size of 2.79[20] and a vacancy rate of approximately 1.27 percent, which is Brooklyn's vacancy rate according to the 2023 New York City Housing and Vacancy Survey (NYCHVS), these recent residential developments have introduced an estimated 2,319 additional residents (a 6.4 percent increase) to the socioeconomic conditions study area between 2020 and 2023, resulting in an estimated population of 38,498 for the socioeconomic conditions study area.

2036 No-Action Projected Population Change

As described above, in the absence of the Proposed Actions, no changes would occur in the Project Area and existing uses are anticipated to remain. The larger socioeconomic conditions study area would continue to experience residential growth. Based on active DOB construction filings and permits, there are approximately 2,637 new units expected to be built under the No-Action condition by 2036 (refer to **Table 3-6**), which would increase the socioeconomic conditions study area's residential population. Assuming an average household size of 2.79 and a 1.27 vacancy rate, these known and planned development projects would introduce an estimated 7,754 residents to the socioeconomic conditions study area in the No-Action condition. In the No-Action condition, the residential population is anticipated to increase to 46,252 residents, an approximately 20.1 percent increase from 2023.

2036 With-Action Projected Population Change

Under the Proposed Development, the Proposed Actions would introduce approximately 1,112 total DUs into the socioeconomic conditions study area. Assuming an average household size of 2.90 persons (the average household size for Brooklyn CD 5 according to the 2020 Census) and 100 percent occupancy, these 1,112 DUs would add an estimated 3,225 residents to the socioeconomic conditions study area over

[20] The average household size of the socioeconomic conditions study area is 2.79 persons (per the 2020 Census).

the No-Action condition. As shown in **Table 3-11**, when compared to the No-Action condition, the Proposed Actions would result in an estimated 6.9 percent population increase in the socioeconomic conditions study area.

According to 2021 *CEQR Technical Manual* guidance, if the project-generated population increase is less than five percent in the socioeconomic conditions study area, it would not introduce a substantial new population that could substantially affect residential real estate market conditions in the socioeconomic conditions study area. Under the Proposed Development (1,112 total DUs), which would introduce a greater number of residential units than the Alternate Community Facility Scenario (911 total DUs), the Proposed Actions could increase the population of the socioeconomic conditions study area by more than five percent. According to 2021 *CEQR Technical Manual* analysis thresholds, if the population increase would exceed five percent in the socioeconomic conditions study area, the incremental population may be large enough to affect real estate market conditions, and Step 3 of the preliminary assessment is warranted.

Table 3-11
2036 No-Action and With-Action Residential Populations In The Socioeconomic Conditions Study Area

	No-Action Population Residents	With-Action Population Residents	Incremental Number Change	Percent Change
Socioeconomic Conditions Study Area	46,252	49,447	+3,225	+6.9

Sources: US Census Bureau, 2020 Census via NYC Population FactFinder, and DOB.

Step 3: Consider whether the study area has already experienced a readily observable trend toward increasing rents and the likely effect of the action on such trends within the study area.

As described in **Chapter 2, "Land Use, Zoning, and Public Policy,"** the Project Area is located at the nexus of Broadway Junction, which is one of the City's busiest transit hubs. The socioeconomic conditions study area surrounding the Project Area supports a diverse mixture of land uses, including residential, community facility, commercial, industrial/manufacturing, and transportation-related uses. However, the more immediate area surrounding the Project Area is largely zoned for high performance, low-density industrial and commercial use, which does not permit residential uses as-of-right. An M1-1 zoning district is mapped directly to the north and east of the Project Area and an M1-4 zoning district is mapped to the south of the Project Area (refer to in **Figure 2-2** in **Chapter 2, "Land Use, Zoning, and Public Policy"**). Moreover, the East New York IBZ is mapped south of the Project Area, to the south of Atlantic Avenue and East New York Avenue, which was established to protect existing manufacturing zoning districts, foster economic development, and encourage industrial growth. IBZ designation also carries a commitment by the City not to support a rezoning permitting new residences within IBZs.

Directly east of the Project Area, the area is mapped with a C4-5D (R7D equivalent) zoning district, which is a contextual general commercial district that allows for various commercial, community facility, and residential uses. Established as part of the East New York Neighborhood Plan, the C4-5D (R7D equivalent) zoning district is located within an MIH Area to promote and require affordable housing, as well as commercial services and community facilities along Atlantic Avenue and the area surrounding Broadway Junction. Residential uses are primarily concentrated further from the Project Area within portions of several well-established Brooklyn neighborhoods, including Cypress Hills to the north and east, East New

York to the east, Brownsville to the south, Bedford-Stuyvesant and Ocean Hill to the west, and Bushwick to northwest.

Half-Mile Radius (Socioeconomic Conditions Study Area)

According to the City's PLUTO™ data, residential buildings in the socioeconomic conditions study area account for approximately 45 percent of the total building area and 30 percent of total lot area within the socioeconomic conditions study area. Mixed-use residential and commercial buildings account for an additional 19 percent of total building area and seven percent of the total lot area within the socioeconomic conditions study area. The existing housing stock is diverse, consisting of a range of lower-density, one- and two-family attached and semi-attached houses, residential uses in smaller mixed-use residential and commercial buildings, as well as larger multi-unit walkup and elevator residential buildings. Most of the socioeconomic conditions study area's housing inventory is located within walkup and elevator multi-unit apartment buildings. Multi-family walkup and elevator apartment buildings comprise approximately 53 percent of the socioeconomic conditions study area's housing stock and include several NYCHA developments that account for approximately 16 percent of the socioeconomic conditions study area's overall housing stock (approximately 2,188 DUs). NYCHA developments include Ocean Hill Apartments located to the northwest of the Project Area and Howard, Glenmore Plaza, Low Houses, and Hughes Apartments to the south. An additional 25 percent of residential units in the socioeconomic conditions study area are located in mixed-use residential and commercial buildings. One-and two-family homes comprise approximately 17 percent of the socioeconomic conditions study area's housing stock.

Based on HPD's Affordable Housing Production by Building dataset, more than 700 affordable housing units have been added to the socioeconomic conditions study area within 32 developments since 2017, which have been counted toward either the City's *Housing New York* plan or the *Housing Our Neighbors: A Blueprint for Housing and Homelessness* plan. In addition, more than 1,182 affordable DUs in 24 residential developments have received physical rehabilitation and/or financial operating assistance in exchange for affordability of the existing tenants since 2017.

Recent development in the socioeconomic conditions study area has included larger multi-unit residential buildings, including 50 Pennsylvania Avenue (218 DUs), 1864 Eastern Parkway (67 DUs), and 2175 Bergen Street (41 DUs); all of which included affordable housing units. Despite the additions of denser residential buildings, most of the socioeconomic conditions study area's existing housing stock is low-rise and low-density in character. Single family residences comprise approximately nine percent of the socioeconomic conditions study area's housing stock and buildings containing two or three dwelling units account for approximately 70 percent of buildings containing residential use in the socioeconomic conditions study area.

Quarter-Mile Radius

Within a quarter-mile radius of the Project Area, the character of the neighborhood is far less residential; approximately 15 percent of total lot area is residential, with total building area representing a slightly higher number at approximately 24 percent within a quarter-mile radius of the Project Area. Most residential uses are located west of Haven Place. Most lots are a mixture of parking facilities, transportation/utility facilities, and industrial/manufacturing buildings. Approximately 25 percent of lots are occupied by transportation/utility facilities, 16 percent by industrial/manufacturing buildings, and 12 percent by parking facilities. The majority of residential buildings are small and contain one to two DUs,

making up approximately 56 percent of all residential buildings. Less than five percent of buildings contain 10 or more DUs. No NYCHA developments are located within a quarter-mile radius of the Project Area.

Median Rents

Table 3-12 provides trends in median asking rent for the neighborhoods of Bedford-Stuyvesant, Brownsville, Bushwick, and East New York, neighborhoods that largely comprise the socioeconomic conditions study area, compared to greater Brooklyn from 2018 to 2023 according to the StreetEasy Data Dashboard. These data indicate that market rents have generally increased over the last five years in all four neighborhoods within and surrounding the socioeconomic conditions study area, as well as in greater Brooklyn. Decreases in median asking rents which are likely attributed to the COVID-19 pandemic occurred between 2019 and 2020 for Bedford-Stuyvesant, Bushwick, and East New York, as well as Brooklyn, and between 2020 and 2021 for Brownsville. As shown in **Table 3-12**, since 2021, rents have largely increased to above pre-pandemic rates.

East New York has some of the lowest asking rents in the socioeconomic conditions study area but experienced the greatest increase in median rent between 2018 and 2023, increasing by more than 30 percent from $2,148 to $2,800, which is largely consistent with the trend experienced in the overall borough, which increased by nearly 32 percent. Brownsville experienced the smallest increase in median asking rent, at 12 percent, and Bedford-Stuyvesant and Bushwick experienced increases of approximately 21 and 25 percent, respectively, over the same time period.

TABLE 3-12
Trends in Median Asking Rent, 2018 to 2023[1]

	2018	2019	2020	2021	2022	2023
Bedford-Stuyvesant	$2,475	$2,545	$2,250	$2,800	$2,995	$3,000
Brownsville	$1,950	$2,000	$2,200	$1,987	$2,200	$2,200
Bushwick	$2,468	$2,650	$2,350	$2,800	$3,100	$3,097
East New York	$2,148	$2,200	$2,100	$2,250	$2,500	$2,800
Brooklyn	$2,500	$2,599	$2,400	$2,689	$3,100	$3,295

Note:
[1] Median asking report reported for the month of December in each year on StreetEasy.
Source: StreetEasy Data Dashboard.

Asking rents for recently completed and planned residential developments in the socioeconomic conditions study area are priced at the upper limit of the market. Studio apartments at the planned residential development at 2840 Atlantic Avenue (the Highland) are priced at more than $2,100 in East New York. One bedroom units range from $2,250 to $2,300 at the recently completed developments at 103 Liberty Avenue and 2175 Bergen Street in Ocean Hill, to more than $2,460 at the planned residential development at 2840 Atlantic Avenue (the Highland). Two bedrooms units are priced at $2,800 for the planned residential development at 2667 Fulton Street (the Agora) in Cypress Hills, more than $2,900 at the recently completed 2175 Bergen Street in Ocean Hill and upwards of $3,100 for the planned residential development at 2840 Atlantic Avenue (the Highland). Given the trends experienced in the surrounding neighborhoods, the limited housing stock, and overall demand for housing, it is likely that rents in the socioeconomic conditions study area would continue to increase, which could change the socioeconomic character of the socioeconomic conditions study area's population.

New York City has a housing shortage with growing demand at all household income levels, which is creating a housing affordability crisis. According to the New York Comptroller's *Spotlight: New York City's*

Rental Housing Market report from January 2024, median "asking rent" for publicly listed apartments in New York City climbed to a new high in 2023 and has remained at $3,500 per month.

When supply fails to keep pace with demand, prices rise. In 2023, New York City had a net rental vacancy rate of 1.41 percent — the lowest this measurement has been since 1968.[21] Between January 2021 and January 2022, rents in New York City increased by 33 percent, and now exceed pre-pandemic levels.[22] Across Manhattan, Brooklyn, and Queens average apartment rental rates have increased to new levels. Several factors have influenced the City's rental market, including limited inventory, increasing mortgage rates, peak season, and the Housing Stability Tenant Protection Action, which placed new protections against tenant evictions.

Brooklyn's vacancy rate is even lower than New York City, at 1.27 percent in 2023. Lower vacancy rates have likely contributed to the trend of increasing median rents in the borough and the socioeconomic conditions study area, as shown in **Table 3-12**. Furthermore, as indicated previously, population growth in the socioeconomic conditions study area significantly outpaced Brooklyn and New York City as a whole, at approximately 18.3 percent, in comparison to population increases of approximately 9.2 percent and 7.7 in Brooklyn and New York City as a whole, respectively. This population growth, coupled with only modest increases in housing development, low vacancy rates, and the socioeconomic conditions study area's centrality to public transportation has resulted in increasing rents within the socioeconomic conditions study area and the neighborhoods surrounding it. These statistics illustrate the pressures New Yorkers are facing in the housing market and underscore the dramatic need for more homes in New York City, especially for lower income New Yorkers. The Proposed Actions are expected to improve the housing market in the socioeconomic conditions study area and would allow for new housing opportunities and investments in the socioeconomic conditions study area. The Proposed Actions would permit residential use and increase the allowable density in the Project Area, which comprises all or portions of four blocks bounded by three wide streets (Fulton Street, Atlantic Avenue, and East New York Avenue) and Van Sinderen Avenue in an area that is well served by public transportation.

The Proposed Actions would facilitate new residential development that would replace underutilized properties as well as low-density, low-intensity commercial and light industrial uses and create more housing opportunities for households at a range of incomes including a substantial number of low-income units that would further enhance the economic diversity of the socioeconomic conditions study area. The introduction of new housing is expected to increase housing opportunities in the socioeconomic conditions study area and is not expected to introduce a trend toward increasing rents. The proposed Zoning Text Amendment to map an MIH Area would ensure new housing created in the Project Area would serve households at a range of incomes. By adding an estimated 1,112 total DUs under the Proposed Development, approximately 222-334 DUs of which would be income-restricted under MIH Options 1, 2, or 3, the Proposed Development would not represent a shift from current market trends in the socioeconomic conditions study area but rather add critical supply to an existing tight rental market, likely aiding overall affordability. Therefore, the Proposed Actions would not have the potential to result

[21] Shkury, Shimon, "New York City Housing Shortage Highlights Need for More Development," *Forbes.* March 20, 2024, *https://www.forbes.com/sites/shimonshkury/2024/03/20/new-york-city-housing-shortage-highlights-need-for-more-development/*

[22] Zaveri, Mihir. *Rents are Roaring Back in New York City.* The New York Times, 03/07/2022; https://www.nytimes.com/2022/03/07/nyregion/nyc-rent-surge.html

in significant adverse socioeconomic impacts due to indirect residential displacement, and further analysis is not warranted.

F. INDIRECT BUSINESS DISPLACEMENT

Like the analysis of indirect residential displacement, the preliminary assessment of indirect business displacement focuses on whether the Proposed Actions could increase commercial property values and rents within the socioeconomic conditions study area such that it would become difficult for some categories of businesses to remain in the socioeconomic conditions study area. The preliminary assessment of indirect business displacement follows the guidance described in Section 332.3 of Chapter 5 of the 2021 *CEQR Technical Manual* and focuses on those businesses that provide products or services essential to the local economy that would no longer be available due to the difficulty of either relocating the businesses or establishing new, comparable businesses, and categories of businesses that are the subject of other regulations or publicly adopted plans to preserve, enhance, or otherwise protect them.

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

The Proposed Actions would facilitate the introduction of new residential, commercial office and retail, community facility, and light industrial space at the Project Area by expanding the allowable uses and increasing the permitted residential, commercial, community facility, and manufacturing FARs in the Project Area. Although the Project Area is currently zoned for low-density high-performance manufacturing and light industrial uses, the socioeconomic conditions study area includes a significant residential population and includes portions of six well-established Brooklyn residential neighborhoods. The neighborhoods of Bedford-Stuyvesant, Ocean Hill, and Bushwick are located to the east of the Project Area, Brownsville is located to the southwest, and East New York and Cypress Hills are located to the west. The Proposed Actions would not introduce economic activities that are new to the socioeconomic conditions study area. In the With-Action condition, the Project Area would include a range of commercial, community facility, light industrial uses and housing under either RWCDS (i.e., either the Proposed Development or the Alternate Community Facility Scenario). The Proposed Actions are intended to promote job and business growth by facilitating mixed-use development, including residential, commercial, community facility, and light industrial uses near established residential neighborhoods in a transit accessible area of the City that features regional access to other major hubs beyond East New York.

The Project Area is directly south of Broadway Junction, a major transit hub in East Brooklyn and one of Brooklyn's busiest transit hubs, serving more than 100,000 people each weekday. It is served by five subway lines, six bus routes, and the Long Island Railroad (LIRR) that connects the Project Area to employment and transit hubs citywide. A large portion of land (more than 16.4 acres) is occupied by the New York City Transit Authority's East New York Bus Depot And Railyard, which are located on the superblock bounded by Jamaica Avenue, Broadway, Bushwick Avenue, and Conway Street. The socioeconomic conditions study area is centered at the meeting point of several largely residential Brooklyn neighborhoods: Bedford-Stuyvesant, Brownsville, Bushwick, Cypress Hills, East New York, and Ocean Hill, and includes the East New York IBZ. The socioeconomic conditions study area is characterized by a mixture of land uses, including significant transportation infrastructure, commercial and industrial uses, residential uses, community facility uses, as well as vacant and underutilized land accommodating

parking facilities, vehicle storage, and open storage uses. The southernmost portion of the Cemetery of the Evergreens comprises the northernmost portion of the socioeconomic conditions study area.[23]

The East New York IBZ comprises approximately 105 acres and is bounded by Atlantic and East New York Avenue to the north, Sheffield Avenue to the east, Sutter Avenue to the south, and Powell Street and Christopher Avenue to the west. IBZs are high-performance industrial and manufacturing areas that provide competitive advantages over locating in areas outside of New York City. IBZs were established in 2006 and are non-zoning designations that demonstrate a commitment by the City to encourage the retention and growth of industrial business, including financial incentives, designation of local ombudsmen, and a resolution not to support residential rezonings within IBZ boundaries. The purpose of IBZs in New York City are to promote clusters of active industrial and commercial uses and to protect existing manufacturing zoning districts that restrict residential development as well as foster economic development and encourage industrial growth citywide. In the future with the Proposed Actions, the East New York IBZ would remain unchanged, and the existing low-density high performance M1-4 zoning district and existing low-density minimum performance M3-2 zoning district would be retained in the East New York IBZ. Furthermore, the Proposed Actions build on the existing mixed-use buffer found to the northwest of the East New York IBZ**.** This buffer provides a barrier between industrial uses and residential, commercial, and community facility uses. The mixed-use character of both the Proposed Development and the Alternate Community Facility Scenario would expand this buffer, reinvigorate underutilized existing manufacturing lots, and provide a contextual transition to the residential districts mapped in the eastern portion of the socioeconomic conditions study area.

Profile of Existing Employment

As shown previously in **Table 3-1**, in 2021, there were approximately 11,711 private employees in the socioeconomic conditions study area, comprising approximately 1.4 percent of employment in Brooklyn and less than approximately 0.3 percent of employment in New York City. Employment in the socioeconomic conditions study area is diverse and distributed across several economic sectors. Like Brooklyn, the largest sector of employment in the socioeconomic conditions study area in 2021 was Health Care and Social Assistance, which accounted for approximately 34 percent of employees in the socioeconomic conditions study area. Health Care and Social Assistance comprised approximately 35 percent of employment within Brooklyn and approximately 21 percent of employment in New York City. The Transportation and Warehousing sector was the second largest employer in the socioeconomic conditions study area in 2021, including approximately 17.6 percent of employees in the socioeconomic conditions study area as compared to approximately 8.5 percent in Brooklyn and approximately 4.3 percent in New York City. Educational Services was the third largest sector of employment in the socioeconomic conditions study area in 2021, including approximately 14.5 percent of employees in the socioeconomic conditions study area, as compared to approximately 11.5 percent in Brooklyn and approximately 9.5 percent in New York City.

Employment Trends in the Socioeconomic Conditions Study Area

As shown in **Table 3-13**, overall employment within the socioeconomic conditions study area has increased over the last five years with the addition of more than 2,100 jobs (approximately 22 percent).

[23] Forming the southern end of the "Cemetery Belt" of Brooklyn and Queens, the Cemetery of the Evergreens encompasses approximately 225 acres. The Cemetery of the Evergreens has its main entrance on Bushwick Avene and Conway Street.

The largest employment increases within the socioeconomic conditions study area occurred in the service sectors between 2016 and 2021, while employment declines largely occurred within industrial sectors. Consistent with trends in the larger City, the Health Care and Social Assistance sector experienced the greatest increase in employment, adding 2,119 jobs (approximately 112 percent increase), followed by the Public Administration sector, which added 384 jobs (nearly 126 percent increase). In contrast, the Manufacturing sector saw the largest decline in employment in the socioeconomic conditions study area with a decrease of 369 jobs (approximately 56 percent), followed by the Transportation and Warehousing sector, which experienced a loss of 278 jobs (11.9 percent decline) (refer to Table 3-13).

Table 3-13
Comparison of Estimated Employment in the Socioeconomic Conditions Study Area (2016 – 2021)

	2016		2021		Change 2016 to 2021	
NAICS Industry Sector	**Employment**	**%**	**Employment**	**%**	**Employment**	**% Change**
Agriculture, Forestry, Fishing, Hunting	0	0.0%	0	0.0%	0	-
Mining, Quarrying, Oil and Gas Extraction	0	0.0%	0	0.0%	0	-
Utilities	0	0.0%	0	0.0%	0	-
Construction	356	3.7%	560	4.8%	204	57.3%
Manufacturing	661	6.9%	292	2.5%	-369	-55.8%
Wholesale Trade	394	4.1%	384	3.3%	-10	-2.5%
Retail Trade	647	6.7%	750	6.4%	103	15.9%
Transportation and Warehousing	2,336	24.4%	2,058	17.6%	-278	-11.9%
Information	0	0.0%	27	0.2%	27	Increase
Finance and Insurance	31	0.3%	46	0.4%	15	48.4%
Real Estate, Rental and Leasing	147	1.5%	178	1.5%	31	21.1%
Professional, Scientific, Technical Services	94	1.0%	90	0.8%	-4	-4.3%
Management of Companies and Enterprises	2	0.0%	4	0.0%	2	100.0%
Admin. and Support, Waste Management and Remediation	228	2.4%	228	1.9%	0	-
Educational Services	1,736	18.1%	1,695	14.5%	-41	-2.4%
Health Care and Social Assistance	1,895	19.8%	4,014	34.3%	2,119	111.8%
Arts, Entertainment, Recreation	15	0.2%	28	0.2%	13	86.7%
Accommodation and Food Services	285	3.0%	302	2.6%	17	6.0%
Other Services (excl. Public Admin.)	459	4.8%	366	3.1%	-93	-20.3%
Public Administration	305	3.2%	689	5.9%	384	125.9%
Total	**9,591**	**100.0%**	**11,711**	**100.0%**	**2,120**	**22.1%**

Sources: Employment data obtained from the U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics.

Real Estate Market Trends

In East New York, there has been a trend of redevelopment of vacant land and underutilized properties, most of which were formerly occupied by industrial and general service uses, with higher-density commercial and residential uses, most notably with the approval of the East New York Neighborhood Plan in 2016. The East New York Neighborhood Plan changed the zoning of much of the area surrounding the Project Area, mapping contextual residential and mixed-use commercial districts, as well as established MIH Areas, to promote affordable housing preservation and development, encourage economic development, create pedestrian friendly corridors, and invest in community resources to support the long-term growth and sustainability of East New York. The East New York Neighborhood Plan allowed for medium-density residential and commercial development along Atlantic Avenue, established a special

mixed-use district along Liberty Avenue and parts of Atlantic Avenue, and mapped an MIH Area across nearly 20 blocks. The East New York Neighborhood Plan is located to the east and west of the Project Area, partially within the socioeconomic conditions study area. As of December 2021, approximately 1,194 new residential units have been built as a result of the East New York Neighborhood Plan, with approximately 6,000 new housing units expected to be delivered by 2030 according to the DCP's 2021 Progress Report.[24] In addition, the East New York Neighborhood Plan is projected to introduce more than 885,000 sf of commercial space by 2030, as well as 3,700 net new jobs, primarily in retail and community facility services. Notable residential and commercial developments include Chestnut Commons, a 275-unit, 100 percent affordable mixed-use building located on Atlantic Avenue, and Atlantic Chestnut Phase I, a 403-unit, 14-story mixed-use building also located on Atlantic Avenue. Chestnut Commons includes 35,000 sf of community facility space and 6,000 sf of local retail. Atlantic Chestnut Phase I also includes 20,500 sf of community facility space.

Within the boundaries of the socioeconomic conditions study area, there also have been several notable commercial and residential developments including 2435 Pacific Street, a 10-story, 240-unit, affordable housing building and 2440 Fulton Street, a 400,000 sf commercial office building. Other recent commercial development has included two new self-storage warehouse buildings at 163 Sackman Street and 1676 Bushwick Avenue, as well as the NYCTA Bus Command Center at Fanchon Place and Jamaica Avenue. Additionally, two small hotels, the Thatford Hotel at 99 Thatford Avenue (53 rooms) and Hotel 369 at 369 Glenmore Avenue (40 rooms) have introduced nearly 100 hotels room to the socioeconomic conditions study area. There are also two additional hotels at 55 Sheffield Avenue and 2718 Fulton Street currently under construction that are expected to be completed by 2036.

2440 Fulton Street at the southwest corner of Fulton and Sackman Streets includes 400,000 sf of commercial office space across six-stories with underground parking and 80,000 sf floor plates. The new building includes new retail space along Fulton Street, Herkimer Street, and Van Sinderen Avenue. It is the largest commercial building within the socioeconomic conditions study area and East New York and is intended to serve as a catalyst and an engine for commercial growth in the area surrounding Broadway Junction. It will house City services including the New York City Human Resources Administration or Department of Social Services (HRA/DSS) within 275,000 sf, in addition to other private tenants within approximately 80,000 sf. The 2440 Fulton Street project builds on the City's policy to bring City services closer to the people they serve. The HRA/DSS office at 2440 Fulton Street will house more than 1,100 workers upon full occupancy by the City.

As described above, there is an existing well-established trend of commercial development within the socioeconomic conditions study area; in particular, there is an existing concentration of commercial and mixed-use residential and commercial land uses along Fulton Street and Atlantic Avenue in the socioeconomic conditions study area. As shown in **Table 3-14**, commercial square footages in the socioeconomic conditions study area have increased by approximately 712,939 gsf (an approximate 10.2 percent increase) between 2016 and 2024, while total building area increased by more than 2.5 million gsf (an approximate 15 percent increase). Between 2016 and 2024, commercial office space in the socioeconomic conditions study area increased by 320,360 gsf (an approximate 21 percent increase), while commercial retail space increased by 28,030 gsf (an approximate 3.1 percent increase) in the socioeconomic conditions study area.

[24] https://www.nyc.gov/assets/planning/download/pdf/plans-studies/east-new-york/east_new_york_progress_highlights_12-2021.pdf

Table 3-14
Comparison of 2016 and 2024 Commercial Square Footages in the Socioeconomic Conditions Study Area

	2016		2024		Change between 2016 and 2024		
	GSF	% of Total	GSF	% of Total	GSF	% of Total	% Change
All Buildings	17,026,672	100.0%	19,582,070	100.0%	+2,555,398	-	+15.0%
Commercial Uses	6,968,101	40.9%	7,681,040	39.2%	+712,939	-1.7%	+10.2%
Office	1,519,117	8.9%	1,839,477	9.4%	+320,360	+0.5%	+21.1%
Retail	916,425	5.4%	944,455	4.8%	+28,030	-0.6%	+3.1%
Industrial [1]	2,169,325	12.7%	2,388,476	12.2%	+219,151	+10.1%	+10.1%

Note:
[1] Industrial space includes both storage and factory spaces.
Sources: DCP's 2016 and 2024 PLUTO™ datasets.

The area surrounding the Broadway Junction Subway Station complex is expected to undergo major public investment and public realm improvements that will deliver public space and improve transit accessibility and pedestrian safety conditions marketing the station complex as a regional transit center and community hub. The City and MTA are collaborating to fund the $500 million renovation of Broadway Junction Subway Station complex. As part of the renovation plan, two new public plazas will be created on either side of Van Sinderen Avenue and Fulton Street, creating a new gateway entrance to the Broadway Junction Subway Station complex. The ULURP application for the two new public plazas was certified on April 21, 2025 (CEQR No. 25NYP001K; ULURP No. 2025K0339). In addition, streetscape and pedestrian safety improvements are planned on Van Sinderen Avenue and Broadway. The Broadway Junction Subway Station complex will also have full ADA accessibility.

In contrast to recent commercial and residential development, industrial businesses in the outer boroughs have continued to see losses over the past year with increases in industrial space vacancy rates and decreases in asking rents observed in the second quarter of 2024 in comparison to the second quarter of 2023.[25] These decreases align with declines in the five-year asking rent average and with the employment trends explored earlier, indicating lower demand for industrial workers and space. The Proposed Actions are expected to facilitate new mixed-use development in the Project Area that would contain a mixture of residential, commercial office and retail, community facility, and light industrial uses, which would aim to attract additional businesses, encourage job creation in Brooklyn CD 5, and provide homes for people at a range of income levels. In line with the goals of the adjacent East New York IBZ, but with attention to recent market trends, the Proposed Actions would allow for the increased flexibility of commercial and industrial land uses within the Project Area, which could better adapt to changing market trends now and in the future. Furthermore, in line with anticipated public realm and transportation improvements at Broadway Junction Subway Station complex[26], and under the New York City Economic Development Corporation's (NYCEDC's) Broadway Junction Plan[27], the Proposed Actions would help to activate the

[25] https://cw-gbl-gws-prod.azureedge.net/-/media/cw/marketbeat-pdfs/2024/q2/us-reports/industrial/outer-boroughs_industrial-marketbeat_q2-2024.pdf?rev=1bf071acfc7f4b2fb60ec99e0ca46422
[26] https://www.nyc.gov/content/getstuffdone/pages/broadway-junction
[27] https://edc.nyc/project/broadway-junction-east-new-york

surrounding streetscapes, along Atlantic Avenue and Fulton Street, bringing a diverse mixture of land uses to a transit rich area of the City.

The Proposed Actions would permit new uses and would increase the allowable density in the Project Area and would build on the City's efforts to catalyze growth adjacent to Broadway Junction and in East New York, creating a transit hub and 24/7 community. The Proposed Actions would facilitate mixed-use development, including residential, commercial, community facility, and light industrial uses, on underutilized and underdeveloped land near a transit hub. The Proposed Actions would facilitate new development and increased density in the Project Area to create employment opportunities, business growth, and provide community resources in a way that is not currently feasible based on existing zoning regulations applicable to the Project Area.

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

As detailed in Section D above, the Proposed Actions could result in some limited direct displacement of businesses from several economic sectors (construction, retail trade, wholesale trade, transportation and warehousing, and other services) in the Project Area. Under either RWCDS, the Proposed Actions would not directly displace uses that offer critical support services to the remaining local businesses or that draw a substantial customer base for local businesses relative to the overall consumer draw to the socioeconomic conditions study area. The goods and services offered by directly displaced businesses can also be found elsewhere in the socioeconomic conditions study area, broader trade areas, and within the City as a whole. Furthermore, the Applicant would work to house any potentially directly displaced businesses back into the Proposed Development and/or Alternate Community Facility Scenario, where appropriate.

New mixed-use development facilitated by the Proposed Actions would replace lower intensity commercial, warehouse, and automotive uses, as well as open vehicle storage uses which do not support a significant number of businesses or jobs. These businesses are relatively small and do not draw large volumes of customers to their locations relative to the overall consumer draw within the socioeconomic conditions study area, nor are these firms relied upon exclusively for products or services by business establishments in the socioeconomic conditions study area, as similar businesses exist in areas nearby in the Brooklyn.

Would the proposed action directly or indirectly displace residents, workers, or visitors, who form the customer base for local businesses?

The Project Area is appropriate for additional mixed-use development at the nexus of several neighborhoods and the meeting point of regional and local rail lines connecting five subway lines, multiple bus routes, and a regional connection to the LIRR. The Proposed Actions would not directly or indirectly displace a substantial number of residents or workers who form a customer base for local businesses.

The Proposed Actions are site-specific within the Project Area and would facilitate redevelopment of all or portions of four blocks that are currently characterized by low-intensity disjointed land uses and underutilized land. The Proposed Actions would expand the allowable uses and increase the permitted density to facilitate economic growth as well as encourage job creation, provide increased walk-to-work opportunities, and further the economic base in an area of the City well served by public transportation. The Proposed Actions would be in line with the City's policy to reimagine commercial and manufacturing areas around the City's transit rich areas, as well as bring jobs and services closer to established residential

communities, creating job hubs across the City. The Proposed Actions, which would facilitate mixed-use development consisting of market-rate and affordable housing as well as a range of commercial, community facility, and light industrial uses, would build on the City's CARE strategy to support development in underserved areas by bringing new jobs, services, and amenities to established neighborhoods, creating new job hubs across the City.

The Proposed Actions would not result in significant indirect business displacement that would negatively affect the customer base of any existing businesses in the socioeconomic conditions study area. Under either RWCDS, the Proposed Actions would introduce new residential, commercial office and retail, community facility, and light industrial uses to the Project Area, replacing existing lower intensity commercial, warehouse, and automotive uses, as well as open vehicle storage uses.

Development under the Proposed Actions would introduce a 24-hour presence in the Project Area with the introduction of residents and would increase the number of daytime workers and visitors and add to the customer base of existing businesses in the socioeconomic conditions study area. The influx of new residents to the socioeconomic conditions study area would add to the customer base of existing businesses. Moreover, new employment opportunities would result from the Proposed Actions; the incremental change in workers that would result from the Proposed Development is the net addition of approximately 2,174 workers, while the incremental change in workers that would result from the Alternate Community Facility Scenario is the net addition of approximately 2,629 workers. These new workers would add to the customer base of the existing socioeconomic conditions study area businesses and help to offset any loss of existing customers due to direct or indirect business displacement.

Based on the above consideration of CEQR criteria, this preliminary assessment finds that the Proposed Actions would not add a new economic activity or add to a concentration of a particular sector of the local economy substantial enough to significantly alter or accelerate existing economic patterns. The Proposed Actions would not directly or indirectly displace uses that provide critical support to businesses in the socioeconomic conditions study area, or that bring people into the socioeconomic conditions study area that form a substantial portion of the customer base for local businesses. Therefore, the Proposed Actions would not result in significant adverse socioeconomic impacts due to indirect business displacement, and further analysis is not warranted.