A. INTRODUCTION

This chapter assesses whether the Proposed Action and associated RWCDS would result in significant adverse impacts to the socioeconomic character of the area within and surrounding the proposed rezoning area in the western section of Brooklyn Community District 4. As described in the 2012 *CEQR Technical Manual*, the socioeconomic character of an area includes its population, housing, and economic activities. Socioeconomic changes may occur when a project directly or indirectly changes any of these elements. Although some socioeconomic changes may not result in 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.

In accordance with 2012 *CEQR Technical Manual* guidelines, this socioeconomic analysis considers five specific elements that can result in significant adverse socioeconomic impacts: (1) direct displacement of residential population on a project site; (2) direct displacement of existing businesses or institutions on a project site; (3) indirect displacement of residential population in a study area; (4) indirect displacement of businesses or institutions in a study area; and (5) adverse effects on specific industries.

B. PRINCIPAL CONCLUSIONS

For all five areas of socioeconomic concern- direct residential, displacement, direct business and institutional displacement, indirect residential displacement, indirect business and institutional displacement, and adverse effects on specific industries—a preliminary assessment was sufficient to conclude that the Proposed Action would not result in any significant adverse socioeconomic impacts. The following summarizes the conclusions drawn from the analysis.

Direct Residential Displacement

The Proposed Action would not result in significant adverse direct residential displacement impacts. None of the projected development sites include residential units. However, there are nine (9) dwelling units on one potential site. The displacement of nine dwelling units would not have the potential to result in significant adverse impacts due to direct residential displacement.

Direct Business and Institutional Displacement

A preliminary assessment found that the Proposed Action would not result in significant adverse impacts due to direct business and institutional displacement. Direct displacement would be limited to 7 business establishments located on four of the eight projected development sites, subject to lease terms and agreements between private firms and property owners existing at the time of redevelopment in the With-Action condition. These seven businesses that could be directly displaced conduct a variety of business activities, including automotive, wholesale, warehousing, and retail. They occupy a total of approximately 8,596 sf of commercial space and approximately 77,680 sf of industrial/warehousing space and employ and estimated 46 workers. This number of employees would be less than the *2012 CEQR Technical Manual* thresholds of more than 100 employees for a detailed analysis of direct business displacement. As

the Proposed Action would not displace more than 100 employees, there would be no significant adverse impacts from the Proposed Action due to direct business displacement.

Indirect Residential Displacement

A preliminary assessment found that the Proposed Action would not result in significant adverse impacts due to indirect residential displacement. According to the *CEQR Technical Manual*, a population increase of less than 5 percent of the total study area population would generally not be expected to change real estate market conditions in a study area. The RWCDS associated with the Proposed Action would result in a maximum net increase of approximately 1,076 residential units, of which 215 housing units would be affordable units pursuant to the Inclusionary Housing program, compared to the No-Action condition. Assuming that the units would be fully occupied and would have the same average household size as the ½-mile study area in 2010 (2.95 persons per household), this is expected to increase the residential population by 3,174 people. This equates to an approximately 4.2 percent increase as compared to existing conditions in a ½-mile radius from the proposed rezoning area. Therefore, the Proposed Action would not introduce a substantial new population that could substantially affect residential real estate market conditions in the study area, and no further analysis is required. Furthermore, there is already an existing trend toward more costly housing and a higher income population, as demonstrated by considerable increase in median household income from 1999 to 2010, recently residential developments, and rising rental rates and home values. The Proposed Action and associated RWCDS would introduce affordable units (20 percent of new construction) that are expected to rent at prices comparable to or below most existing rents in the study area and add a population with incomes that more closely reflect those of lower income households in the study area,. The new market-rate units would be comparable in price to recent and new developments that are planned to be in place by 2016. Therefore, the Proposed Action would not result in any significant adverse impacts due to indirect residential displacement.

Indirect Business and Institutional Displacement

The Proposed Action would not result in significant adverse impacts due to indirect business and institutional displacement. The Proposed Action would not introduce a new economic activity that would alter existing economic patterns in the study area. The study area already has a well-established residential market and supports a mix of commercial, retail, light industrial and institutional uses.

Adverse Effects on Specific Industries

The Proposed Action would not significantly affect business conditions in any specific industry or any category of businesses, nor would it indirectly reduce employment or impair the economic viability of any specific industry or category of business. Therefore, there would be no significant adverse impacts from the Proposed Action due to adverse effects on specific industries.

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 projects affect either or both of these segments in the same 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.

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 project. Examples include 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 parcel 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 or close to a project site that results from changes in socioeconomic conditions created by a proposed project. Examples include rising 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).

Even if projects do not directly or indirectly displace businesses, they may affect the operation of a major industry or commercial operation in the city. In these cases, CEQR review may assess the economic impacts of the project on the industry in question.

Analysis Format

Following *CEQR Technical Manual* guidelines, the socioeconomic analysis begins with a preliminary assessment. The purpose of the preliminary assessment is to learn enough about the effects of the proposed actions to either rule out the possibility of significant adverse impacts, or determine that a more detailed analysis is required to resolve the issue. A detailed analysis, when required, is framed in the context of existing conditions and evaluations of the future without the proposed project and the future with the proposed project by the project build year. In conjunction with the land use task, specific development projects that occur in the area in the future without the proposed project are identified, and the possible changes in socioeconomic conditions that would result, such as potential increases in population, changes in the income characteristics of the study area, new residential developments, possible changes in rents or sales prices of residential units, new commercial or industrial uses, or changes in employment or retail sales. Those conditions are then compared with the future with the proposed project to determine the potential for significant adverse impacts. For all five areas of socioeconomic concern—direct residential displacement, direct business displacement, indirect residential displacement, indirect business and institutional displacement, and adverse effects on specific industries—a preliminary assessment was sufficient to conclude that the Proposed Action would not result in any significant adverse socioeconomic impacts.

Study Area Definition

Residential and business displacement impacts are considered to be significant if changes are large enough to adversely affect the character of the neighborhood. Therefore, this chapter's analysis compares the levels and types of economic activities that would be generated by the Proposed Action to those of a broader study area to determine whether potential displacement could result in substantial changes to the overall socioeconomic conditions within the study area.

Following 2012 *CEQR Technical Manual* guidelines, the socioeconomic study area mirrors the land use study area and approximates the ¼-mile perimeter surrounding the rezoning area. The socioeconomic study area includes all census tracts where at least 50 percent of the tract's residential units are within ¼-mile of the rezoning area. The socioeconomic ¼-mile study area includes Census Tracts that most closely

describe the ¼-mile perimeter around the project site: Census Tracts 389, 391, 425, and 489 (see Figure 3-1). In addition, the assessment of indirect residential displacement considers the Proposed Action's effect on the population of a ½-mile study area, comprised of Census Tracts 257, 259.02, 283, 285.01, 285.02, 287, 289, 389, 391, 393, 421, 423, 425, 427, 429, 453, 485, 489, 491, 493, and 507 (see Figure 3-1).

Data Sources

Information used in the socioeconomic analysis includes data from the U.S. Census Bureau's 2010 Census, 2000 Census, 2006-2010 American Community Survey (ACS), and the New York City Department of Finance's Real Property Assessment Data (RPAD) 2010 database. The Census data have been supplemented, where appropriate, with information from real estate agencies, including the *Brooklyn Rental Market Report July 2012* by Real Impact Real Estate.

Employment data were obtained from the New York State Department of Labor (NYSDOL). However as NYSDOL employment data are available at the zip code level, rather than smaller geographic areas such as census tracts or block groups, employment estimates for the study area are based on a slightly different geographic area than the actual boundary of the study area, but nevertheless is still representative of conditions in the study area given the proximity of the zip code boundaries to the study boundary.

The employment data gathered identifies the industry sectors that dominate or characterize the study area. Employment data on specific businesses was estimated based on field surveys and secondary research. These data were used to estimate the total number of jobs that would be directly displaced by the Proposed Action on the projected development sites. When information on a business was not available through various secondary sources (such as Manta.com), employment was estimated using information on comparable businesses of the same size and with similar hours of operation. In some cases, the number of current employees for the projected development sites was estimated based on the approximate square footage and the standard ratio of 3 employees per 1,000 sf of retail space. However, the jobs identified on the projected development sites in this assessment might not be located on the affected sites at the time the Proposed Action is under way. The analysis represents a "snapshot in time" that describes the existing socioeconomic conditions in the vicinity of the rezoning area.

D. PRELIMINARY ASSESSMENT

This section examines the five areas of socioeconomic concern in relation to the Proposed Action and associated RWCDS. For all five issue areas—direct residential displacement; direct business and institutional displacement; indirect residential displacement; indirect business and institutional displacement; and adverse effects on specific industries—the preliminary assessment rules out the possibility that the Proposed Action would have a significant adverse impact as defined in the 2012 *CEQR Technical Manual*.

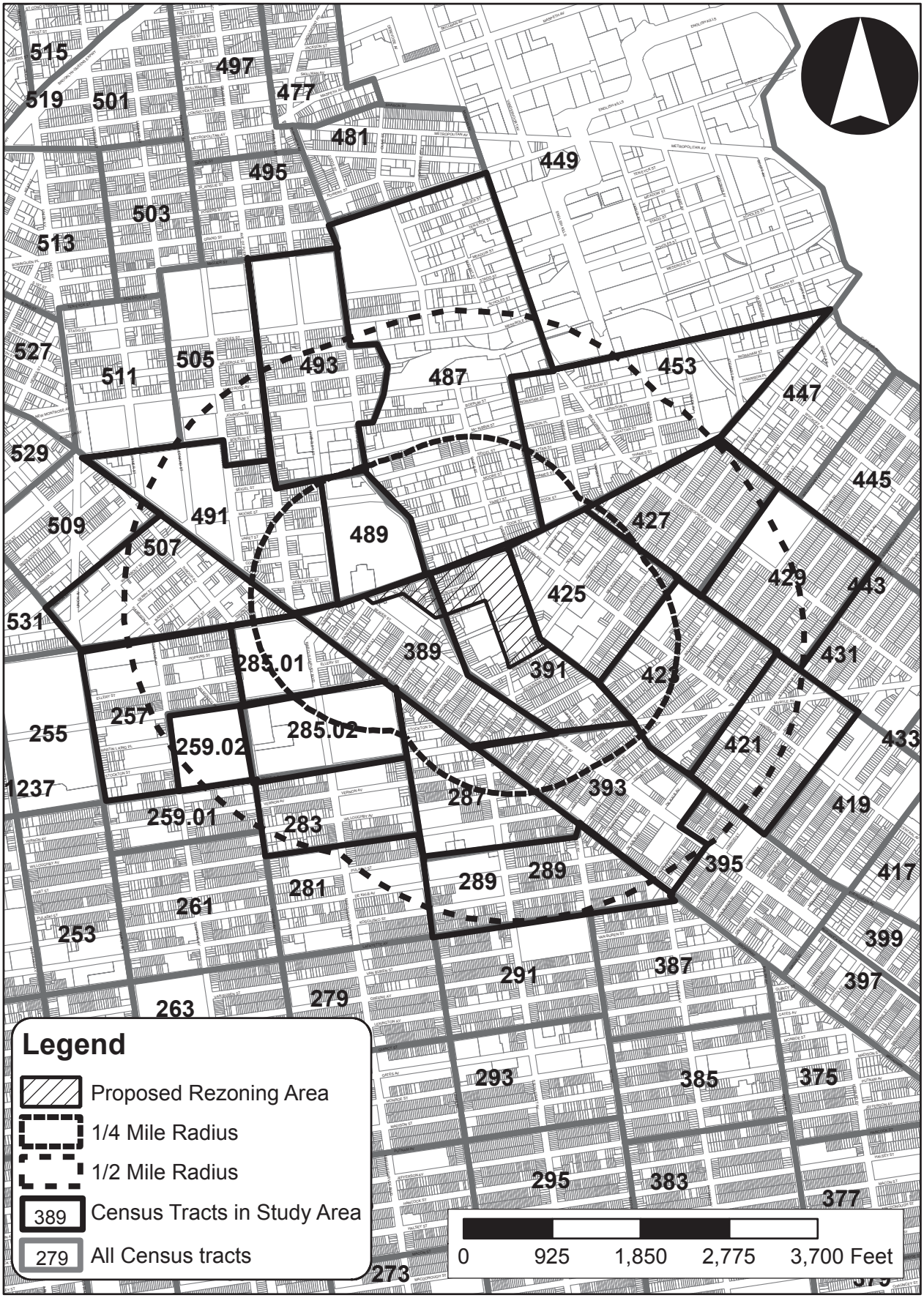
Direct Residential Displacement

None of the projected development sites include any residential units. Therefore, the Proposed Action would not directly displace any residents, and there would be no significant adverse impacts from the Proposed Action due to direct residential displacement, and no further analysis is warranted.

Direct Business and Institutional Displacement

The *CEQR Technical Manual* defines direct business and institutional displacement as the involuntary displacement of businesses or institutions from the site of (or a site directly affected by) a proposed

Figure 3-1
Socioeconomic Study Area



project. The Proposed Action would result in some direct business and institutional displacement; however the amount of employment associated with that displacement would not exceed the 100-employee 2012 *CEQR Technical Manual* threshold warranting a preliminary assessment.

As described in Chapter 1, "Project Description," most of the projected development in the rezoning area is expected to take place on underutilized parcels. Many of the projected development sites are occupied by vacant land and/or low-density uses such as vehicle storage lots that do not support any existing businesses, including projected development sites 1, 2, 4, and 5. The Proposed Action would directly displace seven business establishments from four of the eight projected development sites (see Table 3-1). These seven businesses conduct a variety of business activities, including automotive-related, wholesale/warehousing, and retail. They include a small grocery store, a gas station and convenience mart, an automotive service and repair shop, and four wholesale distributors. The seven business establishments occupy a total of approximately 8,596 sf of commercial space and approximately 77,680 sf of industrial/warehousing space and employ and estimated 46 workers[1].

Table 3-1
Businesses Subject to Directly Displacement under the Proposed Action by Projected Development Site

Address	Block	Lot	Category of Business	Economic Sector
Projected Development Site 3				
80 Evergreen Ave./40 Noll St.	3152	p/o 3	Wholesale Food Distributor	Wholesale
80 Evergreen Ave./40 Noll St.	3152	p/o 3	Restaurant Equipment and supplies distributor	Wholesale
80 Evergreen Ave./40 Noll St.	3152	p/o 3	Wholesale General Merchandise	Wholesale
80 Evergreen Ave./40 Noll St.	3152	p/o 3	Gifts and Toys Wholesale Distributor	Wholesale
Projected Development Site 6				
846 Flushing Ave.	3138	20/22	Automotive Repair and Service	Retail
Projected Development Site 7				
860 Flushing Ave.	3138	32	Gas Station and Convenience Mart	Retail
Projected Development Site 8				
832 Flushing Ave.	3137	56	Grocery Store	Retail

Source: PHA field Surveys

The rezoning area is located within a designated Food Retail Expansion to Support Health (FRESH) area. FRESH provides zoning and financial incentives to promote the establishment and retention of neighborhood grocery stores in communities that lack full-line grocery stores throughout the five boroughs. The C-Town supermarket located on projected development site 8 is approximately 6,000 sf and located within a FRESH area; however, it is not a FRESH designated store.

It is possible that the supermarket, employing an estimated 18 workers, could be displaced from projected development site 8, subject to lease terms and agreements between private firms and property owners existing at the time of redevelopment in the future with the Proposed Action. Projected development site 8 is not applicant owned and there are no known development plans for the site at this time. It was included as a projected development site per the New York City Department of City Planning's development site criteria (see Chapter 1, "Project Description"). The Proposed Action includes a C2-4 commercial overlay to be mapped along Bushwick, Flushing, and Evergreen Avenues within the rezoning area. C2-4 commercial overlays permit a variety of local retail uses including grocery stores. Although the existing C-Town supermarket could potentially be displaced as a result of the Proposed Action, the Proposed Action would result in a net increase of 74,194 sf of local retail space within the rezoning area that could potentially accommodate a grocery store. It should also be noted that there is an approximately 14,000 sf Associated supermarket located on the same block as the C-Town supermarket at 522 Bushwick Avenue (approximately 750 feet away).

[1] Based on data provided by the Applicant, there are a total of approximately 20 employees on Site 3 (5 per business). Employees for Sites 6, 7, & 8 were estimated using the typical rate of 3 employees/1,000 sf (26 total employees),

Although the Proposed Action would result in the direct displacement of seven business establishments, the amount of employment associated with this displacement would not exceed the 100-employee 2012 *CEQR Technical Manual* threshold, and therefore, no significant adverse impacts are expected and further analysis is not warranted.

Indirect Residential Displacement

The objective of the indirect residential displacement preliminary assessment is to determine whether the Proposed Action would introduce or accelerate a trend of changing real estate market conditions that might displace a vulnerable population to the extent that the socioeconomic character of a neighborhood would change. In most cases, indirect residential displacement is caused by increased property values generated by a project, which then results in higher rents in an area, making it difficult for some existing residents to continue to afford their homes. The preliminary assessment follows the step-by-step analysis described in Section 322.1 of the 2012 *CEQR Technical Manual*.

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 in the study area without the project.

The RWCDSs associated with the Proposed Action would result in a net increase of 1,076 residential units as compared to the No-Action condition. Approximately 215 units the residential units would be affordable units pursuant to the Inclusionary Housing program. The remainder of residential units (861 units) are assumed to be market-rate units.

According to the 2012 *CEQR Technical Manual*, if a project would introduce a more costly type of housing compared to existing housing and housing expected to be built in the future without the project, then the new population may be expected to have higher incomes. As ¼-mile study area household incomes in the future with and without the proposed project are unknown, this analysis compares the type of housing introduced by the Proposed Action to the type of housing that would exist in the future without the Proposed Action to provide an indicator for future income levels in the ¼-mile study area. This analysis presents the most recent available data on median household income for the ¼-mile study area and considers housing sales prices and rents in the study area.

The proposed rezoning area is within a predominantly low income area. As shown in Table 3-2, the poverty rate within the ¼-mile study area is high (approximately 36.7 percent), as compared to the borough (22.0 percent) and the City (19.1 percent). In addition, the median household income of the ¼-mile study area ($28,089) is low, as compared to both the Brooklyn ($45,487) and New York City ($52,502) (see Table 3-2). It should be noted that there is considerable variation in the median household incomes among the census tracts in the study area. The lowest by a large margin is $16,344 in census tract 489 (bounded by Seigel Street, Bushwick Avenue, Flushing Avenue, and Humboldt Street), which encompasses the Bushwick and Hylan Houses, New York City Housing Authority public housing complexes that contain a total of 1,471 apartments. The three other census tracts in the study area had median household incomes that ranged from approximately $31,250 to $39,790, which is closer to, but still lower than the median household income for the overall borough.

Table 3-2
Population Income Characteristics in the ¼-Mile Study Area, Borough of Brooklyn, and New York City

	Total Population			Median Household Income[1,2]			Poverty Status[3]		
	2000	2010	Percent Change	1999	2006-2010	Percent Change	1999 (%)	2006-2010 (%)	Percent Change
¼-Mile Study Area	10,034	12,157	21.2%	$23,699	$28,089	18.5%	44.2%	36.7%	-1.3%
Brooklyn	2,465,326	2,504,700	1.6%	$45,657	$45,487	-0.4%	25.1%	22.0%	-11.8%
New York City	8,008,278	8,175,133	2.1%	$54,407	$52,502	-3.5%	21.2%	19.1%	-9.0%

Notes:
[1] Median household income for the study area was estimated based on a weighted average of median household incomes for the Central Tracts in the ½-mile study area.
[2] The American Community Survey (ACS) collects data throughout the period on an on-going, monthly basis and asks for a respondent's income over the "past 12 months." The 2006-2010 ACS data reflects incomes over 2005-2010. Census 2000 reflects income data over the prior calendar year (1999). The median household income is presented in 2012 dollars.
[3] For poverty status, the percent change reflects the percentage change in the number of people with incomes below the poverty level between 1999 and 2006-2010.
Sources: U.S. Census Bureau, 2010 Census, 2000 Census Summary File 1 and 3, and 2006-2010 American Community Survey (ACS).

Census data indicate that household incomes have risen considerably in the ¼-mile study area, increasing by more than 18 percent since 1999, compared to a decrease of approximately 0.4 percent in Brooklyn and a decrease of 3.5 percent in New York City as a whole (see Table 3-2). The increase in median household incomes indicates that there is an existing trend toward higher incomes in the study area. In addition, the poverty level within the study area is decreasing.

Another indicator of income levels in an area is the type of housing that exists and that would be constructed in the future. Housing costs within the secondary study area are lower than within the borough and the greater New York City area. According to the 2006-2010 ACS data, the median home value in the study area ($466,813) was approximately 20 percent lower than Brooklyn ($587,195) and approximately 13 percent lower than the City ($536,556) as a whole. As also shown in Table 3-3, the median contract rent for the study area was $754 during the 2006-2010 time period, approximately $202 less than Brooklyn ($956) and $248 dollars less than New York City ($1,002) as a whole (refer to Table 3-3).

TABLE 3-3
Housing Cost Characteristics for the ¼-Mile Study Area, Brooklyn, and New York City

	Median Contract Rent[1, 2, 3]			Median Housing Value[1, 2]		
	2000	2006-2010	Percent Change	2000	2006-2010	Percent Change
¼-Mile Study Area	$555	$754	N.A.	$201,029	$466,813	132.2%
Brooklyn	$882	$956	N.A.	$325,649	$587,195	80.3%
New York City	$917	$1,002	N.A.	$314,282	$536,556	70.7%

Notes:
[1] All dollars presented in 2012 dollars.
[2] Median values and contract rent presented for the study area are based on weighted average for the Census tracts in the study area.
[3] The median contract rent data in 2000 Census and 2006-2010 American Community Survey are not comparable since the universe in the ACS data is "renter occupied" whereas the universe in 2000 Census was "specified renter-occupied housing units," thus comparison cannot be made.
Sources: U.S. Census Bureau, 2010 Census, 2000 Census, ACS 2006-2010

It is assumed that the residents of the new market rate housing would have higher average incomes than the existing study area households. Therefore, since it cannot be ruled out that the average income of the proposed residential population would exceed the average income of the study area, Step 2 of the preliminary assessment is required.

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

According to the 2012 *CEQR Technical Manual*, a population increase of less than 5 percent of the total study area population would generally not be expected to change real estate market conditions. According to 2010 Census data, there are approximately 12,157 people living within the quarter-mile study area (refer to Table 3-1). Based on the list of planned projects that are anticipated in the future without the Proposed Action (presented in Table 2-2 of Chapter 2, "Land Use, Zoning, and Public Policy") approximately 233 residential units are planned to be added to the ¼-mile study area by 2016. This would add approximately 687 residents to the quarter-mile study area (assuming 2.95 residents per unit) by 2016, bringing the total population to 12,844 in the future without the proposed action. As described above, the RWCDS associated with the Proposed Action would result in a net increase of approximately 1,076 residential units, of which 215 housing units are expected to be affordable units, compared to the No-Action condition. Assuming that the units would be fully occupied and assuming an average household size of 2.95 persons per household, this is expected to increase the residential population by 3,174 people over the No-Action condition. This chance in population would constitute an approximately 25 percent increase in the ¼-mile study area population.

However, according to the 2012 *CEQR Technical Manual*, a project that would result in a relatively large increase in population may be expected to have potential indirect effects on a larger study area. In these cases, a ½-mile study area may be appropriate. Therefore, this assessment presents population data for a ½-mile study area around the proposed rezoning area. The ½-mile study area includes Census Tracts 257, 259.02, 283, 285.01, 285.02, 287, 289, 389, 391, 393, 421, 423, 425, 427, 429, 453, 485, 489, 491, 493, and 507. According to Census data, the ½-mile study area population was 74,811 residents in 2010 (see Table 3-4).

Table 3-4
Residential Population in the ½-Mile Study Area, Brooklyn, and New York City

	Total Population		
	2000	**2010**	**Percent Change**
½-Mile Study Area	67,243	74,811	11.2%
Brooklyn	2,465,326	2,504,700	1.6%
New York City	8,008,278	8,175,133	2.1%

Source: U.S. Census Bureau, 2000 Census, Summary File 1, and 2010 Census, Summary File 1.

As discussed above, the RWCDS would introduce an additional 3,174 residents in the study area. This new population would constitute approximately 4.2 percent of the ½-mile study area population. Moreover, when the additional population that would be introduced by planned development projects in the future without the proposed project, including development associated with the Bedford-Stuyvesant North Rezoning Proposal, is accounted for, the proportion of the ½-mile study area population would be even smaller. Because this increase is lower than the 5 percent threshold defined by the 2012 *CEQR Technical Manual*, the Proposed Action is not expected to substantially change the demographic composition or alter real estate market conditions in the surrounding area.

Furthermore, there is already an existing trend toward more costly housing and a higher income population, as demonstrated by recently built residential developments within an approximately ½-mile radius of the proposed rezoning area. Such developments include Renaissance Estates (62 DUs), Rheingold Gardens (91 DUs), Rheingold Gardens Apartments (93 DUs), Castle Braid at 114 Troutman Street (146 DUs), Lawton Tower at 24 Lawton Street (48 DUs), Wy 101 Lofts at 101 Wyckoff Avenue (32 DUs) and 184 Noll Street (32 DUs). Furthermore, according to *Crain's New York*, apartment rental

rates are increasing in Bushwick. In the four years between 2006 and 2010, the average rental rate for a one-bedroom apartment in Bushwick increased by approximately 63 percent, from roughly $800 to approximately $1,300.[2]

Table 3-5 provides a comparison of average rent summaries for studio, one-, two-, and three-bedroom apartments in Bushwick and the borough as a whole for 2012. Although average rental rates continue to increase, average rental rates in Bushwick are some of the lower values in Brooklyn. As shown in the table, rental rates in Bushwick are generally approximately 15 to 33 percent lower than in the borough as a whole. The 2012 average rental rate for apartments in Bushwick was $1,658 for a studio, $1,756 for a one-bedroom unit, and $2,048 for a two-bedroom unit.

Table 3-5
Average Rent Summary for Apartment in 2012

	Average Rent Summary		
	Studio Apartments	**One-bedroom Apartments**	**Two-bedroom Apartments**
Brooklyn	$1,956	$2,387	$3,061
Bushwick	$1,658	$1,756	$2,048

Source: Real Impact Real Estate. *The Brooklyn Market Report,* July 2012.

The recently market-rate residential developments in the ½-mile study area indicate that the area is already experiencing an ongoing trend toward more costly housing and a higher income population. The Proposed Action would represent a continuation of this trend. As noted above, if a project would introduce a more costly type of housing compared to existing housing and the housing expected to be built in the future without the proposed project condition, then the new population may be expected to have higher incomes. In this case, the Proposed Action and associated RWCSD would introduce housing comparable to existing residential developments and developments expected in the future without the Proposed Action. Furthermore, as approximately 20 percent of the residential floor area would be set aside for affordable housing units, the Proposed Action is expected to help introduce a population with incomes that more closely reflect those of lower income households in the study area. Therefore, the Proposed Action and associated RWCDS would not result in any significant adverse impacts due to indirect residential displacement, and further analysis in Step 3 of the preliminary assessment is not warranted.

Indirect Business and Institutional Displacement

The objective of the indirect business and institutional displacement preliminary assessment is to determine whether a proposed action would introduce trends that would make it more difficult for nearby existing businesses that provide products or services essential to the local economy or that are targeted to be preserved in their current locations under adopted public plans to remain in the area. A proposed action could introduce such a trend by causing a marked increase in rents and property values in the area (such as by stimulating the demand for more lucrative land uses and thus redevelopment or by increasing the demand for new commercial or retail services with which the existing businesses cannot compete). Additionally, it could directly displace businesses or residents who serve as suppliers or the customer base for nearby businesses, affecting their viability or altering the desirability of their existing location. Finally, it could create enough new retail space to draw substantial sales from existing businesses (i.e., a market saturation impact).

[2] Comtois, James, *Next Williamsburg: Bushwick, Brooklyn,* Crain's New York. April 17, 2011.

In most cases, the issue for indirect displacement of businesses is that an action would markedly increase property values and rents throughout the study area, making it difficult for some categories of businesses to remain in the area.

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

The Proposed Action would not introduce enough of new economic activity to alter existing economic patterns in the study area. As described in Chapter 2, "Land Use, Zoning, and Public Policy," the study area has a well-established residential market. The area also supports a mix of light industrial, commercial, retail, and institutional uses.

The new land uses that would result in the future with the Proposed Action are foreseen as a continuation of current established land use trends in a manner sensitive to the surrounding land uses and built form. The Proposed Action would also expand opportunities for affordable housing in the proposed R6A and R7A zoning districts. In addition, the Proposed Action would provide support for existing ground floor retail uses by mapping commercial overlays along the south side of Flushing Avenue between Beaver Street and Evergreen Avenue, on both sides of Bushwick Avenue between Flushing Avenue and Forrest Street, and on the west side of Evergreen Avenue between Noll and Melrose Streets to a depth of 100 feet. This also encourage the growth of local-scale commercial activity along these street segments.

As discussed in Chapter 2, the proposed additional residential and retail uses would be consistent with the existing mix of uses in the study area and would not represent new uses that would substantially alter existing economic patterns. Therefore, the Proposed Action would not introduce new uses or economic activities to the study area.

- ***Would the proposed project add to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to alter existing economic patterns?***

The uses introduced by the Proposed Action would not represent new economic activities in the study area, and the Proposed Action would not add to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to alter existing economic patterns.

The net increase of approximately 74,194 sf of retail space that would be added to the rezoning area would not add to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to alter existing economic patterns. The retail use that would be introduced is expected to be local retail to serve the neighborhood and would not be considered a new use within the study area. In 2010, the retail trade sector had the highest concentration of business establishments in the study area, with approximately 229 total retail businesses, or 22.7 percent of all businesses in the study area (see Table 3-6). Retail is particularly dense along Broadway, which is lined with pharmacies, restaurants, delis, cell phone stores, clothing and accessory store. The neighborhood retail space that would be introduced by the Proposed Action would not alter existing economic patterns and it would serve to accommodate the existing residential population and the new residential population that would be introduced to the study area.

The northeast portion of the secondary study area is located within the designated North Brooklyn Industrial Business Zone (IBZ) (the rezoning area is not located within the IBZ). IBZs were created by the Mayor's Office of Industrial and Manufacturing Businesses to provide business assistance and tax benefits to industrial and manufacturing firms located within an IBZ. The IBZ designation fosters high-performing business districts by creating competitive advantages over locating in areas outside of New York City. An IBZ protects pre-existing industrial areas that are currently zoned for manufacturing from rezoning to

residential or commercial uses. New York State offers tax incentives in IBZs, including a $1,000 per relocated employee tax credit for industrial and manufacturing firms that move their businesses into an IBZ district. There are currently sixteen IBZs in New York City. The North Brooklyn IBZ is administered and managed by the East Williamsburg Valley Industrial Development Corporation (EWVIDCO). The EWVIDCO provides assistance to businesses within the IBZ with tax credits, incentives, financing, real estate and relocation assistance, energy and green issues, workforce needs, and advocacy. The EWVIDCO provides these services in concert with public agencies (NYC Department of Small Business Services, NYS Empire State Development Corporation, NYC Workforce One Centers), nonprofit organizations (NY Industrial Retention Network, Industrial and Technical Assistance Corporation, St. Nick's Alliance, Opportunities for a Better Tomorrow), and community organizations (Brooklyn Community Board 1).

The southwestern portion of the North Brooklyn IBZ is located adjacent to the rezoning area (see Figure 2-3 in Chapter 2, "Land Use, Zoning and Public Policy). Existing uses directly to the north of the rezoning area in this area of the IBZ are mostly warehouse buildings for food, novelty item, textile, etc. businesses (Use Group 16). In addition, there are several residential buildings (Use Group 2) with ground floor retail uses (Use Group 6) and community facility uses (Use Groups 3 & 4) also located in this area. To the north east of the rezoning area, predominant uses in the IBZ include warehousing, residential, art galleries, and ground floor retail uses.

There is already a trend toward residential development in the study area such that the Proposed Action would not alter or accelerate ongoing trends. As discussed above, the Proposed Action would also not alter or accelerate existing patterns in the retail sector. As a result of the Proposed Action, the amount of retail on the projected development sites would increase by 74,194 sf, which is less than the CEQR threshold of 200,000 sf. Businesses most vulnerable to indirect displacement due to increased rent are typically those businesses whose uses are less compatible with the economic trend that is creating upward rent pressures in the study area. In the study area, there is an existing trend toward increased demand for convenience goods and neighborhood services from the growing residential population. Uses that are less compatible with residential conditions (such as light manufacturing) may not be able to afford increases in rent due to increases property values compared to a neighborhood service use, which could see increased business activity form the increased residential and employee presence.

As discussed above, the area of the IBZ adjacent to the rezoning area contains a mix of warehousing, retail, and residential uses. The Proposed Action would introduce and preserve similar uses to the existing uses found in this area of the IBZ. The 74,194 sf of new local retail development anticipated under the Proposed Action would not alter economic trends, but would add to the existing retail base, which has been expanding as the area attracts more residents. This new commercial activity would be primarily concentrated along the avenues within the rezoning area and would support the existing commercial retail pattern. As noted above, IBZs protects pre-existing industrial areas that are currently zoned for manufacturing from rezoning to residential or commercial uses. Any potential indirect displacement of manufacturing uses that could occur as a result of the Proposed Action may relocate to available space within the North Brooklyn IBZ.

Further, in addition to the proposed residential zoning districts, the Proposed Action would also rezone Block 3140 from M3-1 to M1-2. M1districts are more compatible with residential uses than M3. As the lots adjacent to Block 3140 would be rezoned to allow residential uses, the Applicant believes that rezoning Block 3140 from M3-1 to M1-2 is appropriate. Block 3140 is currently occupied by a warehouse use (Use Group 16) which would conform to the proposed M1-2 zoning district and would not be required to relocate as a result of the Proposed Action. The proposed M1-2 district would be an extension of the existing M1-2 zoning district located just north of the rezoning area (within the North Brooklyn IBZ), across Flushing Avenue, and would enable properties to be developed with high-performing industrial uses.

The Proposed Action would not alter or accelerate trends that would change the existing economic patterns in a manner that would result in significant indirect displacement and as such, it would not result in any direct or indirect effects to the adjacent manufacturing districts or North Brooklyn IBZ.

The Proposed Action would also result in a net increase of 1,076 residential units, including 215 affordable housing units. The new housing units are not expected to add substantially to the concentration of residential uses in the study area, nor are they expected to alter the residential market condition. The area is an established residential neighborhood. There is already a well-established residential market in this neighborhood and, as discussed under the discussion of indirect residential displacement, the new housing introduced would not alter residential market conditions. Based on 2010 Census data, the ½-mile study area contains approximately 74,811 residential housing units (see Table 3-4). In the future without the Proposed Action, the study area will continue to be developed with residential uses. As discussed in Chapter 2, "Land Use, Zoning, and Public Policy," the Bedford-Stuyvesant North Rezoning Proposal would add approximately 233 housing units to the study area by 2016 in absence of the Proposed Action. Although the new housing units would increase the retail expenditure potential of the study area, this consumer spending would not constitute a new economic activity, given that the study area already contains a large residential population and street-level retail is common.

Table 3-6
Estimated Study Area Employment and Businesses in 2000 and 2010

Type of Industry by NAICS Category	4th Quarter 2000			4th Quarter 2010			Percent Change in Jobs
	Est.	Jobs	% of Total Jobs	Est.	Jobs	% of Total Jobs	
Agriculture, Forestry, Fishing & Hunting	0	0	0%	1	N.A.	N.A.	N.A.
Construction	54	844	6.9%	66	685	5.6%	-18.8%
Manufacturing	125	3,530	28.9%	80	1,109	9.1%	-68.6%
Wholesale Trade	70	968	7.9%	113	1,489	12.2%	53.8%
Retail Trade	190	1,255	10.3%	229	1,284	10.5%	2.3%
Transportation & Warehousing	15	89	0.7%	22	172	1.4%	93.3%
Information	5	N.A.	N.A.	10	132	1.1%	N.A.
Finance, Insurance, Real Estate, & Rental and Leasing	58	235	1.9%	81	384	3.1%	63.4%
Professional, Scientific, Management, Admin., & Waste Management Services	22	627	5.1%	60	1,.348	11.0%	115.0%
Education, Health, & Social Services	72	2,863	23.5%	98	4,667	38.1%	63.0%
Arts, Entertainment, Recreation, Accommodate & Food Service	40	215	1.8%	96	482	3.9%	124.2%
Other Services	60	723	5.9%	80	269	2.2%	-62.8%
Unclassified	30	82	0.7%	72	81	0.7%	-1.2%
Total	***741***	***12,204***	***100%***	***1,008***	***12,248***	***100%***	***0.4%***

Note: The study area encompasses zip code 11206 in Brooklyn.
Source: New York State Department of Labor

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

As discussed above, the Proposed Action would directly displace seven businesses that employ an estimated 46 workers. These displaced firms conduct a variety of business activities including: four wholesale distributors; a gas station and convenience mart; an automotive service and repair shop; and a grocery store. None of the potentially displaced businesses provide substantial direct support to other businesses in the study area, nor do they bring substantial numbers of people to the area that form a customer base for local businesses. The goods and services offered by potentially displaced uses can be found elsewhere within the study area. In addition, local businesses do not rely on the potentially displaced

businesses' products and services for day-to-day needs. Therefore, the displacement of these service businesses would not have an adverse effect on the remaining businesses or consumers in the study area.

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

As discussed above, the Proposed Action would not result in significant adverse impacts due to direct or indirect residential and business displacement. The Proposed Action would not result in any direct residential displacement. There are seven existing businesses located on four of the eight projected development sites that could be displaced if these sites are redeveloped as assumed under the RWCDS. These firms employ an estimated 46 workers. While these 46 employees may form a portion of the customer base of local neighborhood retail businesses (i.e., restaurants, delis, food service, dry cleaners etc.), they represent approximately 0.3 percent of the approximately 12,248 employees in the study area, which is not substantial and would not cause indirect displacement of businesses. The Proposed Action would result in an influx of new residents and workers that would add to the customer base of existing study area businesses.

Conclusion

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

Adverse Effects on Specific Industries

According to the *CEQR Technical Manual*, a significant adverse impact may occur if an action would measurably diminish the viability of a specific industry that has substantial economic value to the city's economy. An example as cited in the *CEQR Technical Manual* would be new regulations that prohibit or restrict the use of certain processes that are critical to certain industries. A preliminary assessment of the adverse effects on specific industries, using the *CEQR Technical Manual* threshold indicators (shown in italics below), is provided to determine the potential for significant adverse impacts.

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

The Proposed Action would not significantly affect business conditions in any industry or any category of business within or outside the study area. As discussed above under the preliminary assessment for direct business and institutional displacement, the seven businesses that could be potentially directly displaced as a result of the Proposed Action from four of the eight projected development sites conduct a variety of business activities and are not concentrated within a business sector. These businesses are also not tied to the local economy or community. The products and services offered by the seven businesses that would be potential directly displaced are not expected to be essential to the viability of other businesses within or outside of the study area. None of the seven businesses serve as the sole provider of goods and services to an entire industry or category of business in the City. Collectively, these seven businesses and institutional uses account for only a small fraction of the total employment and economic activities in the study area and their products and services would continue to be available in the trade area to local residents and businesses. Furthermore, while the Proposed Action is not expected to cause indirect displacement, any indirect displacement that may occur would not be concentrated in a particular industry.

The Proposed Action would result in an increase in total employment in the rezoning area, with a net increase of approximately 177 workers. Therefore, the Proposed Action would not result in an adverse impact on a particular industry or category of businesses within or outside the study area.

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

The Proposed Action would not result in direct or indirect displacement that would substantially reduce employment or impair the economic viability in an industry or category of business. Development under the Proposed Action is not expected to introduce new, competing businesses that would drive out or otherwise diminish the performance of any identifiable business sector. As described above, the Proposed Action would not result in significant indirect business and institutional displacement. The directly displaced employment—up to an estimated 46 workers—would account for approximately 0.3 percent of employment in the study area. The seven businesses potentially facing direct displacement are generally small operations scattered among different categories, with no more than four establishments or 20 employees in any one type of business. The businesses are not tied to the local economy or community. Therefore, the Proposed Action would not substantially reduce employment in any industry or category of business.

Conclusion

Overall, the Proposed Action would not result in significant adverse socioeconomic impacts due to adverse effects on specific industries, and, therefore, a detailed analysis of this issue is not warranted.