3

Socioeconomic Conditions

This chapter considers the potential for the Proposed Actions to result in significant adverse impacts to the socioeconomic character of the surrounding area, which includes its population, housing, and economic activity.

Introduction

According to the *2021 CEQR Technical Manual*, an analysis of socioeconomic conditions may be necessary when a project would directly or indirectly change an area's socioeconomic character (population, housing, and economic activity); the assessment usually considers the socioeconomic conditions of area residents separately from those of area businesses, although projects may affect both in similar ways. An assessment of socioeconomic conditions is warranted when a project would result in:

- Direct displacement of residential population on a development site;
- Direct displacement of existing businesses or institutions on a development site;
- Indirect displacement of residential population in a study area;
- Indirect displacement of businesses or institutions in a study area;
- Indirect displacement of businesses due to retail market saturation; and/or,
- Adverse effects on specific industries.

Principal Conclusions

For the Proposed Project, preliminary and detailed analyses of indirect residential displacement were warranted.

The Proposed Project would comply with and exceed the requirements of Option 1 of the City's Mandatory Inclusionary Housing (MIH) program. Sitewide, the Proposed Project would include 50 percent of units at 60 percent of Area Median Income (AMI) or less, with the majority of these units rented at 40 or 50 percent of AMI and senior housing capped at 60 percent AMI. An additional 25 percent of units would be affordable at 80 percent of AMI or less and the remaining 25 percent of units would be affordable at 100 percent of AMI or less. In all, it is expected that the first 1,000 homes to be constructed would not include any rents above 80 percent AMI.

The non-MIH units would be income-based affordable housing through various city and state programs for low, moderate, and middle income. The income bands for the affordable housing units in excess of the MIH requirement, as well as the applicable programs for the senior/supportive housing units, would remain subject to the availability of capital subsidy and other public capital sources at the time of construction.

The Proposed Project would result in an alternative housing option in the neighborhood because 75 percent of the proposed units would be available for households earning 80 percent or less of AMI. It is also noted that many renters in the area rely on Section 8 vouchers. Section 8 vouchers would be accepted at the Proposed Development, creating another housing option for low-income renters in the area. The proposed affordable ownership or condominium units would also provide a path for area low-income renters looking to own their home. The detailed assessment determined that the Proposed Actions would not result in significant adverse impacts to socioeconomic conditions.

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) may affect either or both 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. Indirect or secondary displacement is defined as the involuntary displacement of residents, businesses or employees in an area adjacent or close to a development 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.

The objective of the analysis is to disclose whether any potential changes created by the Proposed Actions would have a significant adverse impact compared with what would happen in the future without the Proposed Actions (i.e., the No-Action condition).

Analysis Format

Following *CEQR Technical Manual* guidelines, the analysis begins with an initial screening assessment that considers threshold circumstances identified in the *CEQR Technical Manual* that can lead to socioeconomic changes warranting further assessment. If the initial screen determines that further assessment is warranted, a preliminary assessment is then undertaken. 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.

Initial Screening Assessment

According to the *CEQR Technical Manual*, a socioeconomic assessment should be conducted if a project may be reasonably expected to create substantial socioeconomic changes within the area affected by the project that would not be expected to occur without the project. The following screening assessment considers threshold circumstances identified in the *CEQR Technical Manual* and enumerated below that can lead to socioeconomic changes warranting further assessment.

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

  The Project Area does not currently contain any residential uses; therefore, no direct residential displacement would occur.

- Direct Business Displacement: Would the project directly displace more than 100 employees, or would the project 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 only uses currently in the Project Area are surface parking and a church. The church would remain on the site as part of the Proposed Project; therefore, no direct business displacement would occur.

- Indirect Residential Displacement: Does the project have potential to change socioeconomic conditions that may indirectly displace a vulnerable population? Residential development of 200 units or less would typically not result in significant socioeconomic impacts. For projects exceeding this threshold, an assessment of indirect residential displacement is appropriate.

  The Proposed Project includes the development of 2,050 residential units within the Project Area. Therefore, an analysis of indirect residential displacement is warranted.

- Indirect Business Displacement: Would the project result in substantial new development that is markedly different from existing uses, development and activities within the neighborhood? Commercial development of 200,000 sf or less would typically not result in significant socioeconomic impacts.

  The Proposed Project includes commercial uses but does not meet the threshold of 200,000 sf and therefore is not expected to result in significant socioeconomic impacts related to 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?

  The Proposed Project would result in approximately 110,570 sf of commercial use, therefore, analysis of indirect business displacement due to retail market saturation is not warranted.

- Adverse Effects on Specific Industries: Is the project expected to affect conditions within a specific industry?

  The Proposed Project would not be expected to affect conditions within a specific industry, affect a substantial number of workers or residents who depend on the goods or services provided by affected businesses, or result in the loss or substantial diminishment of a particularly important product or service within the City; therefore, an assessment of adverse effects on specific industries is not warranted.

Based on the screening assessment presented above, the Proposed Actions warrant an analysis of indirect residential displacement.

Indirect Residential Displacement Preliminary Assessment

Indirect Residential Displacement Methodology

Per *CEQR Technical Manual* guidelines, a preliminary assessment of a project's potential to cause indirect residential displacement is necessary to determine whether the project may either introduce a trend or accelerate a trend of changing socioeconomic conditions that may potentially displace a vulnerable population to the extent that the socioeconomic character of a neighborhood would change.

The first step of the preliminary analysis is to 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. If the Proposed Project would introduce a costlier type of housing compared to existing housing and the housing expected to be built in the future No-Action condition, then the new population may be expected to have higher incomes. If the expected average incomes of the new population would exceed the average incomes of the study area populations, then the next step of the analysis is conducted. This preliminary assessment follows the step-by-step preliminary assessment guidelines described in Section 322.1 of the *CEQR Technical Manual*.

Study Area Definition

The *CEQR Technical Manual* states that a quarter-mile socioeconomic study area is appropriate unless the project could increase the population by more than five percent as compared with the population expected to reside in a quarter-mile study area in the future No-Action condition.

The Project Area is located within Brooklyn Census Tract 1058.04. A quarter-mile study area would also encompass Census Tracts 982, 984, and 1058.01.[1] Combined, these Census Tracts have a population of 19,645[2] people, which is expected to remain approximately the same in the No-Action condition. Using the average household size of the eight census tracts within a half-mile radius of the Project Area, 2.29 people per household[3], the Proposed Actions would increase the quarter-mile area population by an estimated 4,695 residents resulting in a residential population increase of 23.9 percent. Per *CEQR Technical Manual* guidelines, a half-mile study area is appropriate for projects that would increase the population within a quarter mile by more than five percent. Therefore, a half-mile study area was used for this analysis. The half-mile study area encompasses Census Tracts 982, 984, 986, 1016, 1058.01, 1058.04, 1104, and 1106 (see **Figure 3-1**). The half-mile study area has a population of 33,636 people.

Data Sources

Information used in the socioeconomic analysis includes data from the U.S. Census Bureau's 2010 Census, 2020 Census, 2006-2010 American Community Survey (ACS) and 2015-2019 ACS, compiled through the NYC Population FactFinder. The 2015-2019 data reflects five-year averages of income distribution, mean income and median rent for the trailing 12 months in 2019 inflation-adjusted dollars. The mean income and median gross rent of each Census Tract were compiled by the NYC Population FactFinder. 2010 and 2020 Census data were used for population estimates.

Real estate property listing and trend data was obtained from a representative of Keller Williams Realty, a local real estate company, and StreetEasy. AMI for the New York City region was obtained from the U.S. Department of Housing and Urban Development (HUD).

Data sources for the indirect residential displacement detailed analysis include the New York City Housing Authority (NYCHA) Development Data Book 2021, New York State Housing and Community Renewal (NYS HCR), and the New York University (NYU) Furman Center.

Existing Conditions

The current population of the socioeconomic study area is 33,636 per the 2020 Census, an increase of 3.1 percent over the 2010 population of 32,632 people (see **Table 3-1**). The population of both Brooklyn and New York City, as a whole, have increased over the same time period by 9.2 percent and 7.7 percent, respectively.

[1] Census tracts that contain at least 50 percent of their area within the quarter-mile radius were included in the study area analysis.

[2] 2020 Census data through NYC Population FactFinder.

[3] 2020 Census data through NYC Population FactFinder.

Figure 3-1 Socioeconomic Study Area

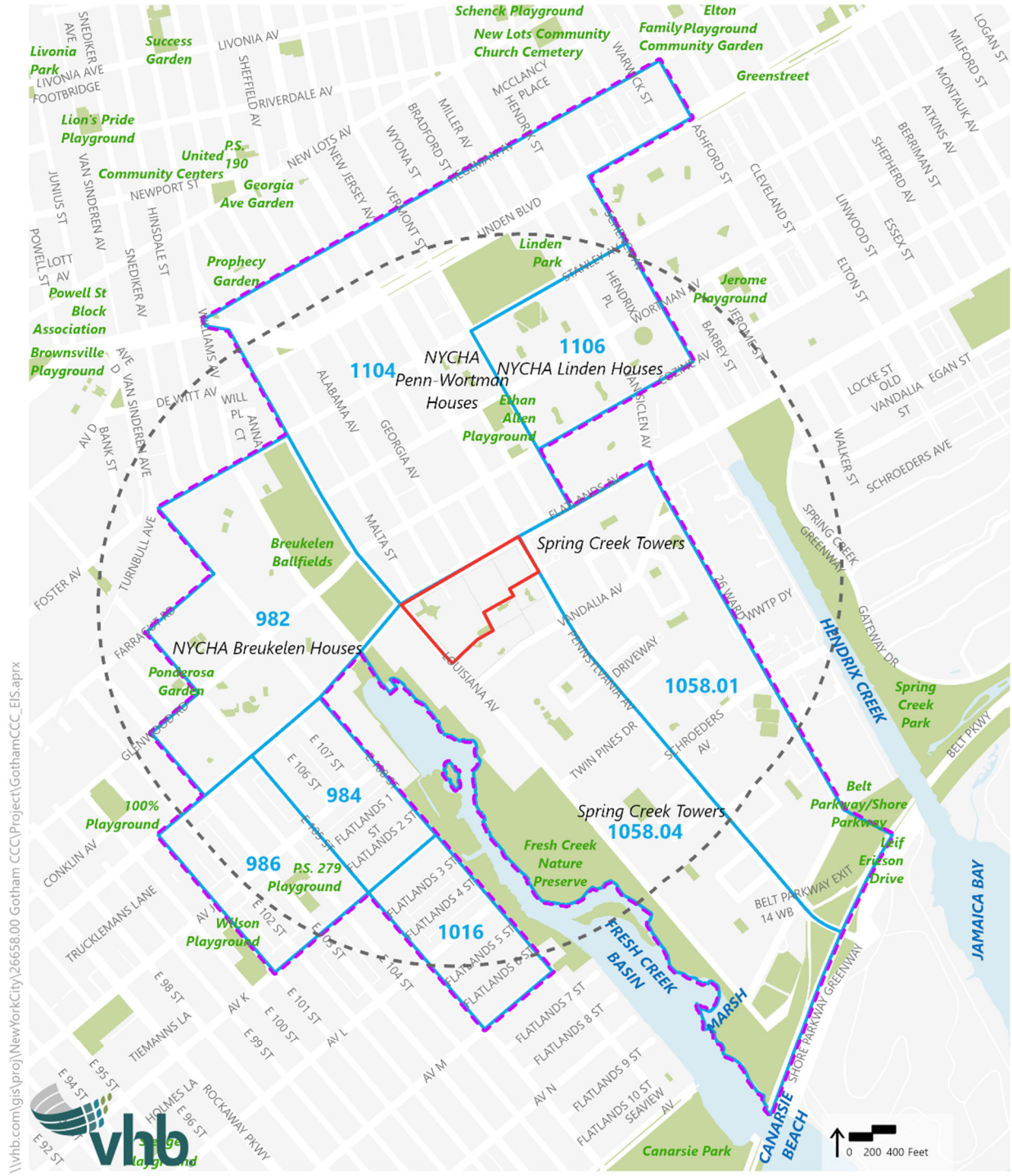

Table 3-1 Population, 2020

Area	Population 2010	Population 2020	% Change
Study Area	32,632	33,636	3.1%
Brooklyn	2,504,700	2,736,074	9.2%
New York City	8,175,133	8,804,190	7.7%

Source: 2010 Census and 2020 Census

The study area contains 14,055 households. Based on 2015-2019 ACS 5-year Estimates, average household income in the study area is $47,163, a decrease from average household income in 2010. Based on 2015-2019 ACS 5-year Estimates, median household income is $31,802. Both average and median household incomes in the study area are substantially lower than the average and median household incomes in Brooklyn ($91,610 and $60,231 respectively) and New York City ($102,946 and $63,998 respectively). See **Table 3-2**.

Table 3-2 Average and Median Household Income

Area	2006-2010 Average Household Income	2015-2019 Average Household Income	Average Household Income Percent Change	2006-2010 Median Household Income	2015-2019 Median Household Income	Median Household Income Percent Change
Study Area[1]	$49,954	$47,163	N/A	$34,057	$31,802	N/A
Brooklyn Community District 5[2]	$52,086	$56,103	Increase	$39,199	$39,163	N/A
Brooklyn	$73,627	$91,610	24.4%	$51,196	$60,231	17.6%
New York City	$91,537	$102,946	12.5%	$59,090	$63,998	8.3%

Notes:

[1] Due to the Margin of Error (MOE) of the difference between 2006-2010 ACS 5-year Estimates and 2015-2019 ACS 5-year Estimates for average and median household income for the study area, a percentage change and directionality cannot be estimated with confidence

[2] Brooklyn Community District 5 data added for comparison purposes only. Due to the MOE of the difference between 2006-2010 ACS 5-year Estimates and 2015-2019 ACS 5-year Estimates, a percentage change cannot be estimated with confidence for average household income for the study area, and a percentage change and directionality cannot be estimated with confidence for median household income

Source: 2006-2010 ACS 5-year Estimate for Years 2006-2010 data and 2015-2019 ACS 5-year Estimate for Years 2015-2019 data

Table 3-3 and **Table 3-4** show household income distribution and the percentage of population living below the poverty level in the study area compared to Brooklyn and New York City. Consistent with lower average and median incomes, the percentage of households earning less than $25,000 and $25,000 to $49,999 in the study area is greater than in Brooklyn and New York City. Households earning less than $25,000 make up 41.5 percent of households in the study area. The percentage of population living below the poverty level is higher in the study area than both Brooklyn and New York City. The high percentage of low-income households is partly explained by the location of four NYCHA housing developments in the study area (Vandalia Avenue, Breukelen Houses, Pennsylvania Avenue-Wortman Avenue, and Linden Houses), as well as Spring Creek Towers and other developments which contain low- and middle-income eligible housing units.

Table 3-3 Household Income Distribution, 2019

Area	<$25,000	$25,000-$49,999	$50,000-$99,999	$100,000-$149,999	$150,000+
Study Area[1]	41.5%	25.0%	22.6%	7.1%	N/A
Brooklyn Community District 5[2]	35.4%	23.5%	25.2%	9.4%	6.4%
Brooklyn	24.8%	18.8%	25.3%	14.0%	17.0%
New York City	23.3%	18.1%	25.4%	14.3%	18.9%

Notes:

[1] The number of households in the Study Area with income of $200,00 or more could not be projected with confidence and is therefore, not reported

[2] Brooklyn Community District 5 data added for comparison purposes only

Source: 2015-2019 ACS 5-year Estimate for Years 2015-2019 data

Table 3-4 Population Below the Poverty Level

Area	2006-2010 Population Below Poverty Level	2006-2010 Percentage of Population Below Poverty Level	2015-2019 Population Below Poverty Level	2015-2019 Percentage of Population Below Poverty Level
Study Area	9,119	27.3%	8,554	26.6%
Brooklyn Community District 5[1]	53,992	29.8%	50,804	27.0%
Brooklyn	538,435	22.0%	511,631	20.0%
New York City	1,518,636	19.1%	1,485,784	17.9%

Notes:

[1] Brooklyn Community District 5 data added for comparison purposes only

Source: 2006-2010 ACS 5-year Estimate for Years 2006-2010 data and 2015-2019 ACS 5-year Estimate for Years 2015-2019 data

No-Action Condition

No significant residential development is currently planned or under construction in the half-mile study area, therefore, the No-Action condition is assumed to be the same as the Existing Condition.

With-Action Condition

In the With-Action condition, 2,050 housing units are proposed within the Development Site. All new housing units developed on the site would be income-based affordable housing ranging from 30 to 100 percent AMI.

The Proposed Project would comply with and exceed the requirements of Option 1 of the City's MIH program. Option 1 has the following requirements:

› 25 percent of new housing units must be set aside for families making an average of 60 percent or less of AMI.

› Of this set-aside, at least 10 percent must be for families making an average of 40 percent or less of AMI.

Sitewide, the Proposed Project would include 50 percent of units at 60 percent of AMI or less; 25 percent of units at 80 percent of AMI or less; and 25 percent of units at 100 percent of AMI or less. The non-MIH units would be income-based affordable housing through various city and state programs for low, moderate, and middle income. The income bands for the affordable housing units in excess of the MIH requirement, as well as the applicable programs for the senior/supportive housing units, will remain subject to the availability of capital subsidy and other public capital sources at the time of construction.

Because the proposed housing units would all be income-based affordable, up to 100 percent of AMI, expected incomes would range depending on household size and affordability level, as shown in **Table 3-5**. For example, income limits at 40 percent AMI range from $33,440 for a family of one to $51,560 for a family of five. The 50 percent AMI income limit ranges from $41,800 for a family of one to $64,450 for a family of five. The 80 percent AMI income limit ranges from $66,880 for a family of one to $103,120 for a family of five. The 100 percent AMI income limit ranges from $83,600 for a family of one to $128,900 for a family of five.[4] Note that incomes could be lower depending on affordability level or higher depending on household size. The levels of affordability are established by HUD and are subject to change. As detailed above, per the 2015-2019 ACS 5-year Estimate, median household income in the study area is $34,057.

Table 3-5 New York City AMI, 2021

Family Size	30% AMI	40% AMI	50% AMI	60% AMI	80% AMI	100% AMI
1	$25,080	$33,440	$41,800	$50,160	$66,880	$83,600
2	$28,650	$38,200	$47,750	$57,300	$76,400	$95,500
3	$32,220	$42,960	$53,700	$64,440	$85,920	$107,400
4	$35,790	$47,720	$59,650	$71,580	$95,440	$119,300
5	$38,670	$51,560	$64,450	$77,340	$103,120	$128,900

Source: HUD, 2021 AMI for the New York City region. https://www1.nyc.gov/site/hpd/services-and-information/area-median-income.page, accessed May 2021

Using the average household size of 2.13 for the Study Area and weighing the AMI estimates outlined in **Table 3-5** for a family size of between 2 and 3, an average income of households occupying the proposed residential units is estimated, as follows:

› Average income of households occupying the units at 60 percent of AMI: $58,228

› Average income of households occupying the units at 80 percent of AMI: $77,638

› Average income of households occupying the units at 100 percent of AMI: $97,047

Using a weighted average based on the anticipated number of units to be provided at each AMI level (50 percent of units at 60 percent of AMI or less; 25 percent of units at 80 percent of AMI or less; and 25 percent of units at 100 percent of AMI or less), the average income of

[4] HUD, 2021 AMI for the New York City region (New York, NY HUD Metro FMR Area).

households occupying the proposed residential units is estimated to be approximately $72,785. This is greater than the median and average household income for the study area.

According to the *CEQR Technical Manual*, if the Proposed Project is expected to introduce new population with higher average incomes than the existing average income of the study area, Step 2 of the preliminary assessment should be conducted.

Step 2 of a preliminary assessment of indirect residential displacement, as outlined in the *CEQR Technical Manual,* is to determine the Proposed Project's projected increase in population relative to the study area. The Proposed Project would generate approximately 4,695 residents, resulting in a population increase of 14.0 percent in the study area, which has a population of 33,636 residents. The guidance set forth in the *CEQR Technical Manual* indicates that a population increase greater than 10 percent in the study area warrants a detailed assessment.

Indirect Residential Displacement Detailed Assessment

Per the *CEQR Technical Manual*, the purpose of the detailed assessment is to determine whether the population living within unprotected units in the study area would be at risk of indirect displacement due to incomes being too low to afford a potential increase in rents. The detailed assessment includes additional existing conditions data and an assessment of how the real estate market conditions in the study area would change in the With-Action condition.

Existing Conditions

The detailed assessment focuses on rental housing which is more likely to be affected by indirect displacement than owned housing. The study area contains 14,893 housing units, of which 14,055 (94.4 percent) are occupied. As shown in **Table 3-6**, 86.0 percent of occupied housing units in the study area are renter occupied (12,086 housing units), which is a higher percentage of renter occupied units than in both Brooklyn (69.9 percent) and New York City (67.3 percent). Using the study area's average household size for renter occupied units as a multiplier, there are an estimated 25,743 residents living in rental housing units in the study area.

Table 3-6 Renter-Occupied Units in Study Area, 2019

	Total Occupied Housing Units	Owner-Occupied Units	Renter-Occupied Units	% Renter Occupied Units	Average Household Size (Rental Units)	Estimated # of Residents Living in Renter-Occupied Units
Study Area	14,055	1,969	12,086	86.0%	2.13	25,743
CT 1058.04	3,167	N/A	3,096	97.8%	2.11	6,533
CT 982	1,735	N/A	1,727	99.5%	2.60	4,490
CT 984	660	397	263	39.8%	N/A	N/A
CT 986	968	465	503	52.0%	N/A	N/A
CT 1016	529	392	N/A	N/A	N/A	N/A
CT 1058.01	3,435	N/A	3,395	98.8%	1.68	5,704
CT 1104	1,746	583	1,163	66.6%	2.03	2,361
CT 1106	1,815	N/A	1,802	99.3%	2.31	4,163
Brooklyn	958,567	288,632	669,935	69.9%	2.52	1,688,236
New York City	3,167,034	1,034,637	2,132,397	67.3%	2.48	5,288,345

Source: 2015-2019 U.S. ACS 5-year Estimate

When broken down by census tract, the area to the west of the Development Site, consisting of Census Tracts 984, 986, and 1016, have lower rates of rental units than the remaining Census Tracts in the Study Area. Census Tracts 984, 986, and 1016 are primarily comprised of one- and two-family homes that are a mix of owned and rented units. The remaining Census Tracts are generally comprised of multi-family buildings, including four public housing developments and Spring Creek Towers.

Census Tract 982 is comprised entirely of the NYCHA Breukelen Houses which has 1,595 housing units and a population of 3,406[5]. Census Tract 1106 contains the NYCHA Linden Houses which has 1,586 housing units and a population of 3,462. Census Tract 1106 also contains Stanley Commons, a mixed-use development with 240 affordable rental units recently constructed on property that was formerly owned by NYCHA, and the Stanley Commons Senior Housing, a senior living building with 80 units.

All of Census Tract 1058.01 and a large portion of Census Tract 1058.04 is comprised of Spring Creek Towers (formerly Starrett City), a large 140-acre affordable housing complex located to the south and east of the Project Area; it contains 5,881 residential units in 46 buildings. The complex also includes a community center and two schools. Spring Creek Towers' affordability is maintained through various state and federal programs: approximately 60 percent of the units participate in HUD's Section 8 rental assistance

[5] NYCHA Development Data Book 2020, https://www1.nyc.gov/assets/nycha/downloads/pdf/pdb2020.pdf.

program, and the remaining 40 percent participate in HUD's Section 236 interest rate reduction program and the NYS HCR Mitchell-Lama program.[6]

Census Tract 1058.04 contains the Development Site, Spring Creek Towers (as described above), a multi-family residential development with condominiums, a residential development with one- and two-family owned homes, and NYCHA Vandalia Avenue. NYCHA Vandalia Avenue is a senior public housing development with 293 units and a population of 329. The Council Towers senior housing complex is located on the same block as the Project Area along Vandalia Avenue and Pennsylvania Avenue and contains three 12-story buildings with a total of 366 affordable apartments for low-income seniors.[7] The complex is run under the HUD Section 202 Program.

Residential uses in Census Tract 1104 include several one- and two-family homes at the northern portion of the census tract; the Meadow Wood at Gateway multi-family development which has approximately 1,152 condominium units, and NYCHA Pennsylvania Avenue-Wortman Avenue. NYCHA Pennsylvania Avenue-Wortman Avenue has 336 units and a population of 627.

Overall, the supply of rental housing within the study area is predominantly located within large apartment buildings, including the various NYCHA developments detailed above, as well as the Spring Creek Towers and Council Towers developments. According to data published by the NYU Furman Center, 17.3 percent of rental units in the East New York neighborhood are located in NYCHA housing, compared with eight percent for Brooklyn as a whole.[8] A modest number of additional rental units are available within the two-family homes concentrated to the east of Fresh Creek Basin or to the north of Linden Boulevard. Based on online listings and the high percentage of the rental inventory within NYCHA developments, the number of available market-rate rental properties is low in the study area. As of August 2021, there were no listed rental properties available in the study area on StreetEasy.

Rental Prices and Trends

Data indicates that market rents in the East New York neighborhood of Brooklyn where the Project Area is located increased from 2016 to 2020 and then decreased slightly between 2020 and 2021, with an overall increase of 10.5 percent over the past five years. See **Table 3-7** for the median asking rent for the past five years in East New York. A local real estate broker from Keller Williams Realty confirmed that this data is reflective of median rents in the neighborhood when rental units are available. Typically, one-bedroom units in East New York would be rented around $1,600 per month; two-bedroom units are rented between $1,800 and $2,000 per month; and three-bedroom units are rented at $2,400 or more per month.[9]

[6] https://www.globest.com/2018/05/09/starrett-city-sold-to-brooksville-and-rockpoint-for-905-million/

[7] https://www.metcouncil.org/elderly-housing-through-the-federal-section-202-program

[8] NYU Furman Center Neighborhood Data Profiles, East New York/Starrett City, Accessed June 2021

[9] Phone conversation with Keller Williams Realty on June 8, 2021.

Table 3-7 East New York Median Asking Rent, 2016 to 2021[1]

	2016	2017	2018	2019	2020	2021
East New York	$1,900	$2,000	$2,100	$2,125	$2,195	$2,100

Source: StreetEasy Data Dashboard, East New York

Notes:

[1] Median Asking Rent reported for the month of April in each year. Median Asking Rent reflects all rental listings available on StreetEasy

The real estate broker from Keller Williams Realty also confirmed the general trend toward increased rental prices in the area, prompted by general interest from residents that are priced out of Bedford-Stuyvesant and other nearby neighborhoods but are interested in staying in Brooklyn. In addition, recent nearby development has sparked increased interest in the neighborhood. The broker specifically cited the Gateway Center complex, also known as the Gateway Mall, which is located to the east of the study area and was expanded in 2014 to include over 35 retailers and restaurants, as a catalyst for recent nearby development.

However, according to data released by the NYU Furman Center, when accounting for inflation, real median gross rents (in 2020 dollars) over the past decade have remained relatively stagnant in East New York compared with Brooklyn as a whole, which has seen more significant increases in rental prices. Specifically, real median gross rent increased by 23.8 percent in Brooklyn between 2009 to 2019, compared with just 4.3 percent in East New York. Meanwhile, the homeownership rate in the neighborhood has increased by 2.9 percent since 2010, and the number of new certificates of occupancy issued by the Department of Buildings (DOB) more than doubled in one year, from 531 in 2019 to 1,273 in 2020, indicating more recent development interest and activity in the area.[10]

Estimate of Unregulated Housing

The *CEQR Technical Manual* specifies that an indirect residential displacement analysis is conducted to determine the potential impact that may be experienced by vulnerable populations that could be subject to displacement, generally defined as renters living in privately held units unprotected by rent control, rent stabilization, or other government regulations restricting rents, and whose income or poverty status indicates that they may not support substantial rent increases. The following analysis provides an estimate of the supply of unregulated rental housing within the Study Area to determine the proportion of Study Area residents who could be subject to indirect displacement.

Table 3-8 provides an inventory of the regulated housing units within the Study Area. As shown, there are a total of 10,563 units that are protected by various city, state, and federal government regulations that either restrict rising rents or provide financial assistance to support low-income tenants. These programs include Rent Stabilization; NYCHA Public Housing; Mitchell-Lama Housing; Project-Based Section 8; the Low-Income Affordable Marketplace Program (LAMP); Section 202; the Multifamily Housing Rehabilitation Loan Program (HRP); the Low-Income Housing Tax Credit (LIHTC) program; and the 420-c Tax Incentive program. These regulated housing units were identified using the NYS HCR Brooklyn Rent Stabilized Building List from 2018, the NYCHA Development Data Book from 2020, and the NYU Furman Center's CoreData.nyc Subsidized Housing Database. As

[10] NYU Furman Center, Neighborhood Profiles. East New York/Starrett City.

indicated in **Table 3-8**, more than half of the study area's rent regulated units are located within the Spring Creek Towers/Starrett City development, with the remainder of the units spread more evenly throughout the study area Census Tracts.

It should be noted that the information in **Table 3-8** does not account for study area residents who may be eligible for and make use of Section 8 rental assistance vouchers to subsidize their rental payments. During conversations with the local real estate broker from Keller Williams Realty, it was indicated that many renters in the area rely on rental assistance through Section 8 vouchers. Therefore, the analysis below represents a conservative estimate of the number of vulnerable renters in the study area.

Table 3-8 Inventory of Regulated Housing

Census Tract	Address	Program(s)	Units	Development
982	10835 Flatlands Avenue; 254 Stanley Avenue; 757 East 103 St; 10609 Flatlands Ave; 620 East 108 St	NYCHA	1,595	Breukelen Houses
1058.01/ 1058.04	1155 Pennsylvania Ave; 177 Vandalia Ave; 1266 Pennsylvania Ave; 1325 Pennsylvania Ave; 1426 Freeport Loop; 1506 Pennsylvania Ave; 180 Bethel Loop; Seaview Ave; 186 Vandalia Ave; 1279 Pennsylvania Ave; 1540 Van Siclen Ave; 1279 Pennsylvania Ave; 1260 Croton Loop	HUD Project Based Section 8 & NYS HCR Mitchell-Lama & LAMP-HDC & Other HPD Programs	5,881	Spring Creek Towers/Starrett City
1058.04	99 Vandalia Ave	HUD 202 & HPD Article 8A/HRP	122	Council Towers II
1058.04	1170 Pennsylvania Ave	HPD Article 8A/HRP	122	Council Towers III
1058.04	1180 Pennsylvania Ave	HUD 202 & HPD Article 8A/HRP	122	Council Towers IV
1058.04	1 Vandalia Ave	NYCHA	293	Vandalia Avenue
1058.04	1001 to 1031 E. 108th St	Rent Stabilization Program	75	
1058.04	959 to 999 E. 108th St	Rent Stabilization Program	75	
1104	437 De Witt Avenue	LIHTC (NYS HCR) & HPD programs	36	Dewitt Supportive Housing
1104	520 Stanley Ave	NYCHA	336	Pennsylvania Ave-Wortman Ave
1106	215 Wortman Ave; 195 Corzine Ave; 270 Wortman Ave	NYCHA	1,586	Linden Houses
1106	656 Stanley Ave	420-c tax incentive financing, other HUD financing, HPD multifamily program	240	Stanley Commons
1106	890 Schenck Ave	LIHTC (NYS HCR) & HUD Project Rental Assist/202 & 420-c tax	80	Stanley Commons Senior Housing
Total			**10,563**	

Source: NYS HCR Brooklyn Rent Stabilized Building List (2018),* NYCHA Development Data Book 2020, NYU Furman Center's CoreData.nyc.; http://www.springcreektowers.com/

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

To determine the number of unregulated rental housing units in the study area, the number of regulated housing units is subtracted from the total number of rental housing units. As shown in **Table 3-9**, there are an estimated 1,523 unregulated rental housing units in the study area, representing 12.6 percent of the total number of rental units that are market-rate or unprotected.

Table 3-9 Study Area Regulated and Unregulated Rental Housing

	Rental Units (% of Total)
Total Renter-Occupied Units	12,086
Total Regulated Rental Units	10,563 (87.4%)
Total Unregulated Rental Units	1,523 (12.6%)

Source: New York City Housing Authority (NYCHA) Development Data Book 2021, New York State Housing and Community Renewal (NYS HCR), and the New York University (NYU) Furman Center

The housing units summarized in **Table 3-9** can be further classified into three categories: 1) those subject to rent regulations and income requirements; 2) those subject to rent regulations but not income requirements; and 3) those subject to neither rent regulation nor income requirements. Units that fall within these categories based on the applicable program requirements are detailed in **Table 3-10**.

Table 3-10 Regulated and Unregulated Housing Categories

Category	Applicable Programs	Total Units
Units subject to rent regulations and income requirements	NYCHA; Project Based Section 8; HPD Article 8A/HRP; LIHTC; HPD multifamily program	10,413
Units subject to rent regulations but not income requirements	Rent Stabilization Program	150
Units subject to neither rent regulation nor income requirements	Unregulated	1,523
Total		**12,086**

Source: New York City Housing Authority (NYCHA) Development Data Book 2021, New York State Housing and Community Renewal (NYS HCR), and the New York University (NYU) Furman Center

The next step in the detailed analysis is to estimate the number of rental units occupied by low-income households in the study area. For purposes of this analysis, low-income is defined as households earning 80 percent or less of AMI. This number is then compared to the estimated number of protected housing units in the study area to determine whether the low-income renter population exceeds the supply of protected rental units. Low-income households living in unprotected rentals may be vulnerable to displacement due to increasing rents. Comprehensive Housing Affordability Strategy (CHAS) data, which is ACS data that is customized for HUD, were used to estimate rental units occupied by low-income households, see **Table 3-11**.

Table 3-11 Renter-Occupied Units in Study Area, 2018

	Total Renter-Occupied Housing Units	Household Income ≤ 30% AMI	Household Income >30% to 50% AMI	Household Income >50% to 80% AMI	Total Household Income ≤ 80% AMI
Study Area	12,040	5,785	1,900	2,375	10,060

Source: 2014-2018 CHAS data

There are an estimated 10,060 low-income (earning ≤ 80 percent AMI) households living in rental units in the study area. Per **Table 3-10**, there are 10,413 regulated rental units in the study area subject to rent regulations and income requirements. Therefore, it is assumed that the study area does not have a significant vulnerable population that may be at risk of indirect displacement.

No-Action Condition

As identified in the preliminary assessment, no significant residential development is currently planned or in construction in the study area, therefore, the No-Action condition is assumed to be the same as the Existing Condition.

With-Action Condition

Proposed Project

The Proposed Actions would facilitate the development of a mixed-use, purpose-built development on the campus of the CCC. The mix of uses would include 2,050 income-based affordable housing units; a performing arts center (PAC); a grocery store; local retail; new publicly accessible open space; and a variety of community facilities targeted to the civic, economic, educational, and cultural needs of the East New York neighborhood. All new housing units developed on the site would be income-based affordable housing ranging from 30 to 100 percent AMI.

The Proposed Project would comply with and exceed the requirements of Option 1 of the City's MIH program. Option 1 has the following requirements:

- 25 percent of new housing units must be set aside for families making an average of 60 percent or less of AMI.
- Of this set-aside, at least 10 percent must be for families making an average of 40 percent or less of AMI.

Sitewide, the Proposed Project would include 50 percent of units at 60 percent of AMI or less, with the majority of these units rented at 40 or 50 percent of AMI and senior housing capped at 60 percent AMI. An additional 25 percent of units would be affordable at 80 percent of AMI or less and the remaining 25 percent of units would be affordable at 100 percent of AMI or less. In all, it is expected that that the first 1,000 homes to be constructed would not include any rents above 80 percent AMI.

The non-MIH units would be income-based affordable housing through various city and state programs for low, moderate, and middle income. The income bands for the affordable

housing units in excess of the MIH requirement, as well as the applicable programs for the senior/supportive housing units, will remain subject to the availability of capital subsidy and other public capital sources at the time of construction.

With-Action Rental Market Conditions

In the With-Action Condition, the number of housing units in the study area would increase from 14,893 to 16,692 units. Of the 2,050 new housing units, approximately 1,950 units, or 95 percent, would be affordable rental units. No less than 100 residential units would be maisonettes under affordable home ownership or affordable condominiums.

Per the *CEQR Technical Manual*, the objective of the indirect residential displacement analysis is to determine whether a project may potentially result in displacement of vulnerable populations living in unregulated rental units. The Proposed Project would introduce approximately 1,950 rental units to the study area, increasing the number of occupied rental units from 12,086 occupied rental units to 14,036. Because all of the proposed units would be income-based affordable units, the number of occupied protected rental units in the study area would increase from 10,563 to 12,513 units. The data presented in **Table 3-11** do not indicate a significant vulnerable population living in unregulated rental housing. However, to the extent that a vulnerable population, defined as earning at or less than 80 percent AMI living in unregulated housing, does exist within the study area, the Proposed Project would result in an alternative housing option because 75 percent of the proposed units would be available for households earning 80 percent or less of AMI. It is also noted that, according to a local real estate broker, many renters in the area rely on Section 8 vouchers. Section 8 vouchers would be accepted at the Proposed Development, creating another housing option for low-income renters in the area. The proposed affordable ownership or condominium units would also provide a path for area low-income renters looking to own their home.

It is not expected that real estate market condition in the study area would change significantly or that the Proposed Project would result in significant adverse impacts due to indirect residential displacement.