3.2 SOCIOECONOMIC CONDITIONS

INTRODUCTION

No significant adverse impacts on socioeconomic conditions are anticipated as a result of the proposed action. The proposed action would have the beneficial socioeconomic effect of expanding the housing supply to address strong local and citywide housing demand. With regard to direct displacement, it is estimated that the proposed action would directly displace only five residents, which would not result in a significant adverse impact because they do not represent a significant proportion of the proposed action area population and they are not likely to have socioeconomic characteristics that differ markedly from the study area population as a whole. It is estimated that approximately 15 firms and 126 employees could be directly displaced under the With-Action scenario. The potentially displaced businesses are primarily involved in manufacturing and auto storage – products and services that will continue to be available in the surrounding area after redevelopment – and individually do not define the character of the neighborhood. Adverse impacts on specific industries are also not anticipated. The proposed action would not cause significant indirect business displacement impacts as it would not alter existing regional economic patterns or add to the concentration of a particular sector enough to alter trends. The proposed action would also not result in significant adverse indirect residential displacement impacts. The action would increase the population of the study area by more than five percent and introduce residents with socioeconomic characteristics that are significantly different from the characteristics of residents in parts of the study area; however, the in-depth analysis described in this chapter reveals that the study area contains a population that is unlikely to be vulnerable to displacement pressures.

This chapter examines the potential effects of the proposed action on the socioeconomic conditions in the proposed action area and primary study area, including population and housing characteristics, economic activity, and the commercial real estate market. In accordance with the guidelines presented in the *City Environmental Quality Review (CEQR) Technical Manual*, this chapter evaluates five specific factors that could create substantial socioeconomic impacts in an area, including: (1) direct displacement of residential population; (2) direct displacement of existing businesses; (3) indirect displacement of residential population; (4) indirect displacement of businesses; or (5) adverse effects on specific industries not necessarily tied to a project site or area.

This analysis begins with a preliminary assessment. According to the *CEQR Technical Manual*, the goal of a preliminary assessment is to discern the effects of a proposed project or action for the purposes of either eliminating the potential for significant impacts or determining that a more detailed analysis is necessary to answer the question regarding potential impacts. For those factors that could not be eliminated through the preliminary assessment, a more detailed analysis is presented. In sum, the chapter includes:

- A section that defines the proposed action and primary study area boundaries and the data sources used for both the preliminary assessment and detailed analyses;

- A preliminary assessment for direct residential, direct business, indirect residential and indirect business displacement as well as an examination of effects on specific industries; and,
- A detailed analysis for indirect residential displacement, the one technical area where a socioeconomic impact could not be ruled out by the preliminary assessment. This analysis is presented in three sections: a description of existing housing and demographic conditions in the proposed action and primary study areas, a description of proposed action and primary study area socioeconomic conditions in the future without the proposed action, and the projected impacts under the proposed action.

3.2.1 STUDY AREA DEFINITION, DATA SOURCES, AND METHODOLOGY

Study Areas

This analysis includes two study areas: the proposed action area, and a primary study area. A list of tracts and blocks included in each study area is included in Table 3.2-1 below, and shown in Figure 3.2-1. As evident from the map, the primary study area forms an approximate ½-mile buffer around the proposed action area. While it is customary to analyze a primary study area at ¼-mile and a secondary study area at ½-mile from the proposed action area, this analysis only includes a ½-mile study area. Census Tracts in the proposed action area are very large and irregularly shaped, owing to the industrial and waterfront character of the area. An initial breakdown of primary and secondary study areas yielded little discernable difference in socioeconomics, so the final analysis includes only the proposed action area and a ½-mile buffer area, referred to as the primary study area throughout this chapter. As described in Chapter 2, "Land Use, Zoning, and Public Policy," the assessment has been adjusted to take into account natural barriers. Thus, the proposed action and primary study areas do not extend west across the East River into the borough of Manhattan. Chapter 3.1 provides a description of those man-made and natural barriers that define the broader study area, and information on major land use characteristics of the area.

Table 3.2-1:
Proposed Action Area and Primary Study Area for Residential and Business Study

Proposed Action Area
Block Group 2, Census Tract 47, Bronx County
Block Group 1, Census Tract 49, Bronx County
Block Group 9, Census Tract 53.01, Bronx County
Block Group 2, Census Tract 57, Bronx County
Block Group 3, Census Tract 65, Bronx County
Primary Study Area
Census Tract 17, Bronx County
Census Tract 23, Bronx County
Census Tract 25, Bronx County
Census Tract 39, Bronx County
Census Tract 41, Bronx County
Census Tract 43, Bronx County
Census Tract 47, Bronx County
Census Tract 49, Bronx County
Census Tract 53.01, Bronx County
Census Tract 57, Bronx County
Census Tract 59.01, Bronx County
Census Tract 59.02, Bronx County
Census Tract 61, Bronx County
Census Tract 65, Bronx County
Census Tract 67, Bronx County
Census Tract 69, Bronx County

Source: U.S. Census, DCP

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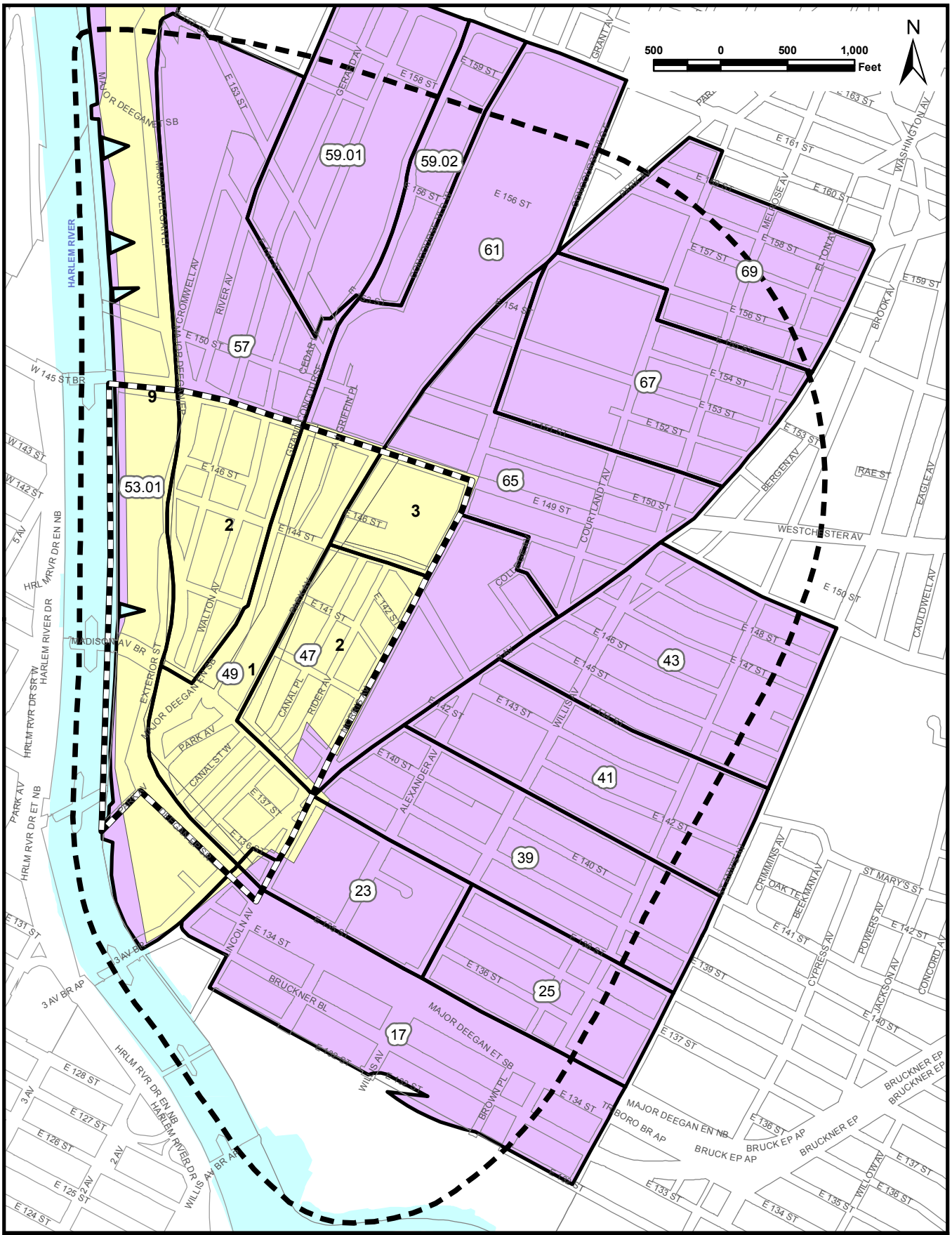


Legend

- Proposed Rezoning Area
- 1/2-Mile Radius around Proposed Rezoning Area
- 1 — Proposed Action Area Block Groups - Residential & Business
- 17 — Primary Study Area Census Tracts - Residential & Business

Source: NYC Department of City Planning 2008

Figure 3.2-1: Census Tracts and Block Groups Comprising Residential and Business Study Area
Lower Concourse Rezoning and Related Actions EIS

NYC Department of City Planning

Data Sources and Methodology

Population and Housing

The analysis of population and housing is based primarily on data from the 1990 and 2000 U.S. Census. These data have been grouped by the proposed action area and ½-mile primary study area for the following Census characteristics:

- Total population and age of population;
- Occupation characteristics of population;
- Household and income characteristics, including total households, average household size, median and average household income, and percent of households below poverty; and,
- Housing characteristics, including number of housing units, housing vacancy and tenure (owner versus renter occupied), median contract rent, median home value, and proportion of rent controlled or stabilized units.

Because the proposed action and primary study areas are defined by the area of the proposed zoning, physical barriers, and proximity to the proposed action area, they do not match the boundaries of U.S. Census tracts. Therefore, for the proposed action area, Census data were gathered at the block-group level (a subset of tracts). Block groups that straddle the proposed action area boundary were included or excluded in the proposed action area calculations depending on what proportion of the block fell within the proposed action area (i.e., blocks with more than 50 percent of the block area within the proposed action area were included). Any socioeconomic impacts relating to direct or indirect residential or business displacement would likely occur in the vicinity of these sites. For this reason, the primary study area consists of all census tracts that are more than 50 percent contained within a ½-mile radius of the rezoning area. These include Bronx Census Tracts 17, 23, 25, 39, 41, 43, 47, 49, 53.01, 57, 59.01, 59.02, 61, 65, 67 and 69.

Because the Census is performed every decade, baseline, or 2008, conditions need to be determined based on trends and current data. Therefore, while the Census data serve as a foundation for the baseline conditions, the information has been updated wherever possible to reflect 2008 conditions in each study area. Updates are based primarily on a list of housing units built in the study areas between 2000 and 2008, as compiled by the DCP in June of 2008, based on Real Property Assessment Data (RPAD) from the New York City Department of Finance and final certificate of occupancy data. Corresponding population estimates were derived using the Census average household size and vacancy rates for each study area.

The Census data have been supplemented, where appropriate, with information from local real estate agencies and real estate listings from local newspapers. Census data on median contract rent provide a statistical basis for identifying trends, these data are affected by the presence of rent-regulated housing units in the study area. Due to the prevalence of rent-regulated housing in the primary study area, the median contract rent

data does not reflect pricing trends experienced by the majority of residents in the area. However, in order to provide a more accurate picture of current market rate rents in the primary study area, information was gathered from New York Times real estate sections, real estate agency web sites, the New York City Department of Finance, and an interview with a broker from Corcoran Real Estate[1].

In accordance with the guidelines set out in the *CEQR Technical Manual*, information was also gathered on the status (rent-regulated or non-rent-regulated) of existing housing units. Information on rent stabilized buildings was obtained from RPAD and the New York City Department of Housing Preservation and Development (HPD). Section 8 housing was identified through the U.S. Department of Housing and Urban Development (HUD).

Businesses, Institutions, and Employment

Employment data were gathered for each Census tract and grouped for the proposed action area and the primary study area. As described above, proposed action and primary study area boundaries do not conform exactly to Census tract boundaries. Therefore, data for those tracts split by proposed action and primary study area boundaries were included or excluded from analysis depending on which portion of the tract appeared to include the majority of the tract's employment as determined based on land use data.

Industrial and Commercial Real Estate

The analysis of industrial and commercial real estate is based on information from real estate brokerages, market research firms, RPAD data from the New York City Department of Finance, and field surveys. Gross square footage estimates for industrial property, along with average square footage estimates for buildings in the proposed action area and primary study area were derived from Map PLUTO data, based on DCP, land use and Department of Finance Real Property Assessment Data (RPAD). Estimated vacancies, rental rates, and buying prices for industrial properties in the proposed action and primary study areas were provided by Mastermind, a local real estate development firm.

3.2.2 PRELIMINARY ASSESSMENT

Under CEQR guidelines, the first step in a socioeconomic impact analysis is a preliminary assessment. The goal of a preliminary assessment is to learn enough about the effects of a proposed action either to rule out the possibility of significant impact or to establish that a more detailed analysis will be required to determine whether the proposed action would lead to significant adverse impacts.

Below, each of the five areas of potential socioeconomic impact is examined under the proposed With-Action scenario versus the No-Action scenario. For four of these areas -

[1] Corcoran Real Estate, telephone interview, July 24, 2008.

direct residential displacement, direct business displacement, indirect business displacement, and adverse effects on specific industries - the preliminary assessment rules out the possibility that the proposed action would have a significant adverse impact. For the remaining area - indirect residential displacement - the preliminary assessment indicates that a more detailed analysis is necessary to adequately assess whether the proposed action would have a significant adverse impact. The detailed analyses for indirect residential displacement follow this preliminary assessment.

Direct Residential Displacement

Direct residential displacement is not in and of itself an impact under CEQR. According to the *CEQR Technical Manual*, direct residential impacts could occur if the numbers and types of people being displaced would be enough to alter neighborhood character and perhaps lead to indirect displacement of remaining residents. Preliminary analyses therefore seek to determine: whether the socioeconomic profile of the residents who would be displaced is markedly different from those in the overall 1/2-mile primary study area; whether the displaced population represents a substantial or significant portion of the population within the primary study area; and whether the action would result in a loss of this population group within the neighborhood.

This preliminary assessment concludes that the proposed action would not cause significant direct residential displacement impacts.

As described in Chapter 2.0, "Project Description," it is anticipated that under the proposed action, approximately 3,416 residential units would be constructed on projected development sites in the proposed action area. Assuming that the average household size for these units would be 2.42 (the current average household size for housing units in the proposed action area) and full occupancy, the units would be occupied by approximately 8,267 residents.[2]

Most of the projected development sites currently have no residential uses; however there are currently two housing units total in two mixed-use buildings on the projected development sites, both of which are expected to be displaced by the proposed action. These units are located on two separate but adjacent lots on projected site 30. Assuming that the households currently occupying these two units are of average size for the proposed action area (2.42 persons per household), they house approximately five residents; however, field surveys conducted in November 2008 found that only one of the units appeared to be occupied. Nevertheless, for the purpose of this study, it is assumed they are occupied by a total of five residents.

According to the *CEQR Technical Manual*, a direct displacement impact may be significant if the persons being displaced represent more than five percent of the primary study area population, and a population with a similar profile would not be

[2] Based on 2000 Census data, the average household size for households in the proposed action area is 2.42 persons. This household size was applied to new units, however, since the proposed action is intended to reduce the vacancy rate from over 11 percent, zero percent vacancy is assumed throughout this chapter when looking specifically at the proposed action area.

able to relocate within the neighborhood (Chapter 3, Section B-331). The five residents who would be displaced under the proposed action represent a small fraction of the approximately 255 persons living in the proposed action area (1.96 percent) and the 60,191 people living in the broader Lower Concourse primary study area (as reported in the 2000 Census with DOB updates through 2007). Therefore, no further analysis is necessary. Direct displacement due to the proposed action would not result in significant adverse impacts.

Direct Business Displacement

According to the *CEQR Technical Manual*, the identification of a significant direct business or institutional displacement impact depends on whether the business or institution is a defining element of neighborhood character, whether it is important to the city economy, and whether it could be located within the ½-mile primary study area or elsewhere within the city. The detailed analysis of business and institutional displacement directly resulting from a proposed action examines the employment and business value characteristics of the affected businesses and institutions to determine the significance of the potential impact.

Under CEQR, displacement of a business or group of businesses is not, in and of itself, a significant adverse environmental impact. While all businesses contribute to neighborhood character and provide value to the city's economy, CEQR seeks to determine whether displacement of a single business or group of businesses would rise to a level of significance in terms of impact on the city's or the area's economy or the character of the affected neighborhood.

The direct business and institutional displacement data information that is described below is a result of a field survey conducted in Spring 2008 to identify the specific type, location, and number of employees at businesses and institutions projected to be displaced as a result of the proposed rezoning.

This preliminary assessment concludes that the proposed action would not cause a significant direct business displacement impact.

The CEQR process attempts to project the future actions of private property owners within the primary study area. However, since it is not possible to determine with certainty the future actions of any private property owner, sites are analyzed to illustrate a potential and conservative assessment of the effects of the proposed action on sites considered likely to be redeveloped based on known information, as described in the description of the *Reasonable Worst Case Development Scenario* in Chapter 1, "Project Description".

The projected sites that have been identified as likely locations for redevelopment under the proposed actions are analyzed under *CEQR* for potential business displacement are the assumed locations of potential private market development. It is not known, however, if these sites will be developed. If these sites are redeveloped in the future with the action, it is possible that existing businesses could be displaced. However, such

displacement would be subject to private contracts and lease terms between tenants and landlords existing at the time of redevelopment.

Additionally, while the DEIS analyzes long term development trends, it nevertheless identifies the firms subject to potential direct displacement based on existing conditions and the businesses located on development sites today. In fact, however, New York City's commercial streets are dynamic. Businesses regularly open and close in response to changes in the economy, local demographics, and consumer trends. Therefore, it is likely that a number of the businesses identified as likely to face displacement pressure as sites redevelop would close or relocate prior to assumed site development due to reasons independent of the rezoning.

Currently, there are an estimated 101 active businesses in the proposed action area, and approximately 32 firms located on projected development sites. Based on business surveys, these 32 firms employ an estimated 255 people. However, on some sites the buildings with active commercial uses are expected to be converted to residential use or renovated for other commercial uses even if the proposed action does not take place. Table 3.2-2 shows projected development sites where businesses currently exist. Table 3.2-3 shows projected development sites where direct business displacement could occur under the proposed action but not under No-Action conditions. If these sites are redeveloped as assumed under the RWCDS With-Action scenario, it is possible that these existing firms could be displaced, subject to lease terms and agreements between private firms and property owners existing at the time of redevelopment.

Table 3.2-2:
Businesses on Projected Development Sites

General Type of Business	Type of Business	Count of Businesses	Sum of Business Sq. Ft.	# of Employees (estimated based on field surveys)
Automotive	Auto parts sales/ installation	2	3,950	7
	Auto repair	6	11,454	29
	School Bus parking and repair	1	147,900	9
Automotive Total		9	163,304	45
Construction/Contracting	Construction	2	11,675	23
	Construction waste transfer	1	14,759	14
	Contractors	2	6,250	13
	Custom furniture	1	4,500	9
	Electrical contractor	1	4,500	9
	Kitchen Supplies contractor	1	4,500	9
Construction/Contracting Total		8	46,184	77
Manufacturing	AC repairs/ installation	1	837	2
	Chemical Manufacturing and storage	1	3,125	12
	Glass cutting and detailing	1	8,993	9
	Printing	1	7,000	14
	Unknown	1	6,300	13
Manufacturing Total		5	26,255	62
Retail	Deli	1	940	3
	Discount Retailer	1	81,000	15
	Restaurant	1	1,956	7
	Retail space	1	2,163	7
Retail Total		4	86,059	32
Storage	Personal Self Storage	1	43,820	8
	Prop storage and rental	1	10,000	10
	Self storage/ moving	1	21,700	8
Storage Total		3	75,520	26
Wholesale	Wholesale	2	9,375	13
Wholesale Total		2	9,375	13
Businesses on Projected Development Sites		32	406,697	255
Estimated Total Businesses In Proposed Action Area		101		
Source: New York City Department of City Planning Field Surveys, Summer 2008				

Table 3.2-3:
Type of Businesses Subject to Direct Displacement Under the Proposed Action

General Type of Business	Total Number of Firms	% Total Displaced Firms	Total Number of Employees (Estimated based on Field Surveys)	% Total Displaced Employees
Automotive	4	26.67%	26	20.45%
Construction/Contracting	1	6.67%	14	11.10%
Manufacturing	3	20.00%	23	18.45%
Retail	3	20.00%	29	22.78%
Storage	3	20.00%	26	20.61%
Wholesale	1	6.67%	8	6.61%
Grand Total	**15**	**100.00%**	**126**	**100.00%**
Source: New York City Department of City Planning Field Surveys and RWCDS.				

Excluding those businesses that would be displaced both in the With-Action and No-Action scenarios, the proposed action could potentially directly displace an estimated 15 firms and 126 employees, if these sites are redeveloped as assumed under the RWCDS.[3] As shown in Table 3.2-3, these consist of: four automotive, one construction/contracting firm, three manufacturers, three retailers, and one wholesale business. Business activities vary within each category. For example, the three manufacturing firms deal with glass, molds and mechanics. The automotive firms include auto repair, and school bus parking. Storage includes firms that provide self-storage facilities, as well as prop storage and rental, and moving companies. Retail consists of a deli, convenience store, and discount department store. These 15 firms are representative of the approximately 101 active firms existing in the proposed action area. Within the proposed action area, businesses are characterized by automotive repair shops, gas stations, car washes, warehouses and distribution centers, and small retailers and food establishments. This is consistent with the types of businesses found in the primary study area, which encompasses the ½-mile area surrounding the proposed action area.

This preliminary assessment is based on the screening criteria (in italics, below) presented in section 321.2 of the *CEQR Technical Manual*. According to the manual, a proposed action may have a significant direct business displacement impact if:

> ***The businesses or institutions in question have substantial economic value to the City or region and can only be relocated with great difficulty, or not at all.***

As set forth in the *CEQR Technical Manual*, the consideration of a business' economic value is based on: 1) its products and services; 2) its locational needs, particularly whether those needs can be satisfied at other locations; and 3) the potential effects on businesses or consumers of losing the displaced business as a product or service.

[3] This figure does not include approximately 129 employees who are currently working at businesses located on projected development sites, but who would be displaced under both Action and No-Action conditions.

Nearly all the businesses that could be directly displaced by the proposed action's projected development are part of the automotive, storage, and local retail sectors, and are not within categories of businesses or institutions that are the subject of other regulations or publicly adopted plans to preserve, enhance or otherwise protect them.

As set forth in the *CEQR Technical Manual*, the assessment of a business' economic value considers its products and services, its locational needs, particularly whether those needs can be satisfied at other locations, and potential effects on businesses or consumers of losing the displaced business as a product or service.

The goods and services provided by the 15 businesses that could be displaced are commonly found on commercial streets in the area and elsewhere in the Bronx. The businesses consist primarily of automobile services, storage facilities and manufacturers, and also several small support retailers – primarily food services targeting the locally employed population. Although the 15 firms each contribute to the city's economy and therefore have economic value, the products and services they provide are widely available in the area and the city; the locational needs of these firms could be accommodated in the area and in other manufacturing districts throughout the city. Further, many of the products and services provided by these companies would still be available to consumers as the proposed action is intended to draw additional retail to this commercially- underserved area.

Current real estate data and property listings suggest that businesses displaced by the proposed action would have opportunity to relocate in the Bronx, and some within the Lower Concourse area and the proposed action area's MX district. There are three Industrial Business Zones (IBZ) located within the Bronx, designed to strengthen established industrial neighborhoods and provide industrial space to appropriate businesses. These three include Bathgate IBZ, The Hunts Point IBZ, and Port Morris IBZ. Additionally, there are three IBZs in Brooklyn, and two in Queens. Citywide, industrial vacancy rates were close to 9 percent in 2007 and had increased annually since 2000[4], indicating a capacity for new tenants that might be displaced as a result of the proposed action.

The proposed rezoning area is also fully located within the Port Morris ombudsman area. This designation does not preclude rezoning such as the proposed action, but it would afford certain business services for manufacturing. The industrial ombudsman area that encompasses the proposed action area allows for a greater mix of uses than those allowed in more restrictive IBZs, but they are both provided with support for business and finance services, regulatory compliance, and workforce development.

Given the general availability of industrial space and assistance throughout the Bronx and the city, it is expected that the businesses subject to displacement under the proposed action should be able to find available space at other locations. As of August

[4] New York City Economic Development Corporation, *Economic Snapshot: A Summary of New York City's Economy*, February 2008. http://www.nycedc.com/NR/rdonlyres/F20A09F6-674E-47C4-938A-DCF8D03BB954/0/EconomicSnapshotFebruary2008.pdf

2008, a web-based search on the New York Industrial Retention Network (NYIRN) website yielded 12 sites with over 380,000 square feet of available industrial space in the Bronx. Among firms in the proposed action area, there is a 22 percent vacancy rate in existing buildings. Thus, the proposed action passes this screening factor in that the businesses that could be displaced would have ample opportunity to relocate within the Bronx, or even within the proposed action area.

Finally, the displacement of these businesses would not have a significant adverse effect on businesses or consumers in the proposed action area. Most of the businesses subject to displacement are not businesses that local consumers would rely on for goods or services, or businesses that might necessitate close proximity to business partners or a particular customer base. Rather, they are engaged in manufacturing, automotive, or storage—products and services that are offered by many businesses throughout the city and can be provided in many different locations. Furthermore, the magnitude of the displacement would not be particularly large in comparison to employment losses experienced in some sectors over recent decades. For example, as discussed under the analysis for indirect business displacement, manufacturing employment in the Bronx fell by over 20,000 jobs between 1990 and 2000. In comparison, it is expected that 23 manufacturing employees could potentially be displaced as a result of the proposed action.

A category of businesses or institutions that may be directly displaced is the subject of other regulations or publicly adopted plans to preserve, enhance, or otherwise protect it.

There are no policies or regulations that directly protect the businesses that are expected to be displaced and the proposed action therefore does not require a detailed assessment of this impact.

The business or institution defines or contributes substantially to a defining element of neighborhood character, or if a substantial number of businesses or employees would be displaced that collectively define the character of the neighborhood.

The *CEQR Technical Manual* advises that an impact could occur if the displaced businesses "define or contribute substantially to a defining element of neighborhood character," such as a marina or shipyard on the waterfront. The character of the Grand Concourse where it crosses the proposed action area is primarily industrial, with a mix of business types, including franchises and independent businesses. The corridor is occupied with automotive uses along the Grand Concourse and other manufacturing and industry on the side streets, with some local retail serving daily needs of employees. The 15 businesses that could be directly displaced by the proposed action are mostly automotive, manufacturing and storage – uses that will continue to be available outside and, to some extent, within the area in the future with the proposed action. Although each business adds to the commercial fabric of the Lower Concourse, none of the 15 businesses individually define the character of the neighborhood. The proposed action is anticipated to enhance neighborhood character, meeting the growing demand for

market-rate housing for area residents, and adding retail and commercial opportunities for new and growing businesses in the area. Most of the development sites under the proposed action would contain ground floor retail, and could accommodate many of the same types of businesses that could be displaced.

As illustrated in Table 3.2-3, four of the 15 businesses that could be directly displaced under the proposed action are involved in automobile repair, automobile storage (short- and long- term parking) and automobile services, with another nine businesses in manufacturing, retail, and storage. Of the four automobile-related firms, three involve storage and repair. Moreover, businesses of that type are located throughout the primary study area and broader community, such that the displacement of a few would not affect the overall auto-repair industry in the area. These industries could continue to occupy space in remaining manufacturing districts, and in buildings within the proposed action area that are not expected to be affected by the proposed action.

Indirect Residential Displacement

Indirect residential displacement is the involuntary displacement of residents that results from a change in socioeconomic conditions created under the With-Action scenario but not under the No-Action scenario. In most cases, the issue for indirect residential displacement is whether an action would increase property values and thus rents throughout the ½-mile primary study area, making it difficult for some residents to afford their homes. (Increased value of owner-occupied units would not result in involuntary displacement.)

The preliminary assessment for indirect residential displacement is based on population and housing data that is presented later in this chapter, under Section D, "Detailed Analysis." The information includes: summary population and housing unit counts, socioeconomic indicators such as median household income and poverty status, housing value and median contract rents, vacancy rates, presence of population groups particularly vulnerable to economic changes (e.g., low income residents) and overall development trends in the area.

This preliminary assessment is based on the screening criteria (in italics, below) presented in section 322.1 of the *CEQR Technical Manual*. According to the manual, a proposed action may have a significant indirect residential displacement impact if it would have any of the following characteristics:

Adds substantial new population with different socioeconomic characteristics compared to the size and character of the existing population.

According to the *CEQR Technical Manual*, an increase in primary study area population with different socioeconomic characteristics compared to the size and character of the existing population of five percent or more may lead to significant indirect residential displacement. As described above, the proposed action would add approximately 8,262 new residents to the proposed action area by 2018. This represents a substantial addition of new population to the area, which is expected to remain at 255 residents under the

No-Action scenario, but a less substantial addition to the primary study area, where population is expected to grow under both the No-Action and With-Action scenarios. Residents living in the new housing units would represent approximately 96 percent of the proposed action area population and 10 percent of the primary study area population in 2018.

The proposed action is expected to induce the construction of market rate units. The newly constructed units are expected to command higher rents than older, existing buildings located in the Lower Concourse proposed action and primary study areas. Assuming that the new units attract new residents, these new residents are likely to have socioeconomic characteristics that are different from at least portions of the existing population and the population in the future without the proposed action. While household income and rental rates have increased in the proposed action area over the past several years and may continue to increase, they still fall below the averages for New York City. According to the 2000 Census, the median household income in the proposed action area is approximately $14,081. This is significantly lower than both the Bronx borough median ($27,611) and the citywide median ($38,293) and well below the incomes that can reasonably be anticipated for new households moving into buildings constructed under the proposed action. Median incomes in the proposed action area reflect the presence of several large public housing complexes – the residents of which will not be subject to displacement. Further analysis indicates substantially higher-than-median incomes for existing residents living in small buildings in the primary study area, leading to a conclusion that additional housing growth would have a minimal displacement impact.

It is likely that some portion of the households currently living in the proposed action area have incomes comparable to those expected for new households under With-Action conditions. It is also likely that the trend towards increasing household incomes will continue to accelerate, and possible that by 2018, a large proportion of proposed action area households will have household incomes that are above the area's current median household income.

The proposed zoning text amendment would apply the Inclusionary Housing program within the rezoning area in the Bronx, Community District 1. Additional floor area would be permitted in residential buildings that facilitate affordable housing, ensuring that new residential development does not exclude current area residents. Nonetheless, the potential number of higher income households that may be introduced as a result of the proposed action indicates that further analysis is needed to fully address the indirect displacement concern.

Directly displaces uses or properties that have had a "blighting" effect on property values in the area.

It is the intent of the proposed action to provide zoning changes that will enable the rezoning area to transform from an underutilized industrial area to a more vibrant mixed-use community that provides much needed housing and significantly expanded open space resources. As discussed in Chapter 3.1, "Land Use, Zoning, and Public

Policy," underutilized buildings and lots used for storage of vehicle or construction equipment are common in the proposed action area. However, upward trends in median contract rent and housing values in the proposed action area contrast against an overall decline in median contract rent and housing values in the larger primary study area. The limited housing stock in the proposed action area, along with the higher quantity of affordable housing units, may lead to skewed median rent and housing value figures. From 1990 to 2000, the median contract rent in the proposed action area (with an estimated 97 households in 2008) increased by 42 percent. This increase is substantially higher than the one experienced in the primary study area, where median contract rent actually decreased by five percent. In the Bronx as a whole, median contract rents increased nine percent during this period, which is close to the citywide increase of 11 percent. There is very limited housing stock in the proposed action area. Therefore, it is unlikely that the existing uses or properties uses have had a blighting effect on residential property values in the area.

Directly displaces enough of one or more components of the population to alter the socioeconomic composition of the study area.

As described above, the proposed action could directly displace approximately five residents. This constitutes a negligible percent of the primary study area population, estimated to be 60,191 persons in 2008. As a result, this displacement would not have the potential to alter the socioeconomic composition of the primary study area.

Introduces a substantial amount of a more costly type of housing compared to existing housing and housing expected to be built in the study area by the time the program is developed.

As stated above, rents in the Lower Concourse neighborhoods have increased markedly over the past several years, with the median contract rent in the proposed action area increasing by 42 percent between 1990 and 2000, and the median contract rent in the primary study area decreasing by five percent.

When looking exclusively at market-rate housing, however, the numbers are different. Currently, the average market-rate (not subject to rent regulations) one bedroom apartment rents for approximately $1,612 per month in the greater Mott Haven neighborhood, which extends beyond the ½-mile primary study area to 161st Street; on average, two bedroom apartments rent for $2,280 per month in Mott Haven. Closer to the primary study area, a representative at Corcoran Realty cited the market value rents for 1 bedroom apartments as being closer to $1,200 per month, and $1,400-$1,600 per month for two bedroom apartments[5].

The proposed action area has virtually zero housing for sale on the market currently, which is likely given that the area is currently zoned for manufacturing and does not

[5] Rental rates for the Lower Concourse proposed action area and primary study area were gathered through phone conversations with a local real estate agent at Corcoran Realty, and through real estate sections of local newspapers such as the *New York Times* during the month of July 2008.

permit new residential uses. The primary study area and broader neighborhoods surrounding it have experienced a substantial increase in interest among buyers and renters over the past decade. While very little new housing stock has been developed privately, increasing numbers of potential buyers are expressing interest in gut-renovations and rehabilitation of older townhomes, particularly higher up on the Grand Concourse. Many of these buyers initially expressed interest in northern Manhattan property, later finding investment potential in the South Bronx.

Hundreds of Partnership Housing units have been built by HPD since the early 1990s, and many of these units have been resold at market rates since their construction. Partnership Housing constitutes a large portion of the single- and two-family homes in the primary study area. Sales data on single- and two-family homes show a large increase in the average sale prices between 2003 and 2007, indicating an increasing demand for this type of housing. Using 2007 adjusted figures, the average sales price for one-, two- and three-unit homes increased from $270,063 to $513,138. Among single-family homes alone, average prices increased $193,471 to $366,852. While there are relatively few residential units within the proposed action area the market appears increasingly strong for working families in the surrounding area; under the proposed action, housing development is expected to occur to meet demand for additional affordable and market-rate units to meet existing residential demand.

An interview with a representative at Corcoran Realty revealed that, generally, residents who have lived in the primary study area for a long time are renters, and any moves they make within the neighborhood tend to be to other rental apartments. Further, most of the current customers looking for housing in the primary study area are already residents of the primary study area, and their moves are usually the result of a changed socioeconomic status. The proposed action seeks to support this trend by facilitating the development of modest, middle-income market-rate housing, aiming to serve existing residents and meet additional demand for housing among other Bronx renters and homeowners.

There has also been a small but growing renter market among artists and other people interested in loft conversions near, but not directly within, the primary study area. These include The Clocktower, a former knitting factory in nearby Port Morris that contains 75 lofts. A representative at Corcoran Realty noted that this and other loft conversions represent the majority of the few properties currently of interest to market-rate renters in the area. In keeping with area trends and expressed demand, the proposed action is expected to result in the conversion of 11 existing loft buildings to residential or mixed-use.

The proposed action is expected to induce the construction of both market rate and affordable units. The newly constructed market rate units are expected to command higher rents than older, existing buildings located in the primary study area. Considering the sizeable increases in median contract rent in the primary study area between 1990 and 2000, but the very limited amount of new construction activity that has occurred, it is likely that rental rates in the Lower Concourse study area will remain steady over the next several years. Given rental rates observed through local

newspapers, is possible that a higher proportion of apartments in the primary study area will be commanding higher rents by 2018, and that those rents would be comparable to the rental rates for new units constructed under the proposed action. Nonetheless, the disparity between current rental rates and those that can be reasonably anticipated for new housing units built under the proposed action indicates that further analysis is necessary to fully address the indirect residential displacement concern.

Introduces a "critical mass" of non-residential uses (for example, a large office complex), such that the surrounding area becomes more attractive as a residential neighborhood complex.

One of the principal goals of the proposed action is to allow more residential development in the proposed action area. The net increment of 137,096 square feet of combined retail, office, and hotel space anticipated under the With-Action scenario but not under the No-Action would not constitute a "critical mass" and would exist primarily to serve the daily needs of new and existing residents. The With-Action scenario projects a net increase of 571,162 square feet of retail and 164,285 square feet of hotel.

Alters land uses such that it offsets positive trends in the study area, impedes efforts to attract investment to the area, or creates a climate for disinvestment.

The proposed action clearly would not impose any type of change that would diminish investment in the proposed action area or primary study area. To the contrary, it would allow and encourage more opportunities for investment in the Lower Concourse community.

Indirect Business Displacement

Indirect business displacement is the involuntary displacement of businesses that results from a change in socioeconomic conditions created by a proposed action. Similar to indirect residential displacement, the issue for indirect business displacement is that an action would increase property values and thus rents throughout the primary study area, making it difficult for some categories of business to remain at their current locations.

The preliminary assessment is based on a characterization of the primary study area in terms of: conditions and trends in employment; physical and economic conditions; existing conditions and trends in real estate values and rents; zoning and other regulatory controls; the presence of categories of vulnerable businesses/institutions or employment; and underlying trends in the city's economy. Like the assessment for indirect residential displacement, the preliminary assessment is based on the screening criteria outlined in the *CEQR Technical Manual*. These criteria are presented (in italics) and responded to below. The data used to inform those responses are presented afterwards.

According to the manual, a proposed action may have a significant indirect business displacement impact if it:

- It introduces enough of a new economic activity to alter existing economic patterns;
- It adds to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to alter existing patterns;
- It displaces uses or properties that have had a "blighting" effect on commercial property values in the area, leading to a rise in commercial rents;
- It directly displaces uses of any type that directly support businesses in the Project Area or bring people to the area that form a customer base for local businesses;
- It directly or indirectly displaces residents, workers, or visitors who form the customer base of existing businesses in the area; or,
- It introduces a land use that could have a similar indirect effect, though the lowering of property values if it is large enough or prominent enough or combines with other like uses to create a critical mass large enough to offset positive trends in the primary study area, to impede efforts to attract investment to the area, or to create a climate for disinvestment.

It was determined that a socioeconomic impact cannot be ruled out and a detailed analysis was undertaken.

3.2.3 DETAILED ANALYSIS

INDIRECT BUSINESS DISPLACEMENT

The possibility that significant indirect business displacement impacts might occur under the With-Action scenario that would not otherwise occur under the No-Action scenario could not be ruled out through the preliminary assessment presented above. Therefore, a detailed analysis is necessary. In accordance with CEQR guidelines, this analysis is divided into three sections: existing conditions, including detailed population and housing characteristics, future No-Action conditions, and future With-Action conditions, including a determination about whether the proposed action would cause significant indirect residential displacement impacts. The objective of the detailed assessment is to characterize existing and anticipated future conditions so that there is an understanding of the relationship of the proposal to these conditions, any changes that could occur as a result of the proposal, and to assess whether any of the changes could be significant and potentially adverse.

EXISTING CONDITIONS

Economic Conditions in the Primary Study Area

According to the *CEQR Technical Manual*, a business and employment profile can be developed using information about: conditions and trends in employment and businesses; physical and economic conditions; existing conditions and trends in real estate values; zoning and other regulatory controls; presence of categories of vulnerable businesses/institutions or employment; land use and transportation service; and underlying conditions and trends in the city's economy. Information on each of these topics is provided below.

Conditions and Trends in Study Area Employment and Business, and Underlying Conditions and Trends in the City's Economy

This section presents an employment profile for both the proposed action and primary study areas, and highlights ways in which these profiles have changed over time. As discussed in further detail throughout this section, the proposed action area and primary study area, which includes the proposed action area and the surrounding ½-mile area, have experienced a significant decline in manufacturing employment over the past several decades. While some smaller manufacturing firms remain, field surveys conducted through the Winter of 2007 and Spring of 2008 revealed that industrial activity has largely shifted toward non-manufacturing uses such as the wholesaling and distribution of food and beverages, furniture, and apparel and construction-related uses.

In order to understand employment shifts in the Lower Concourse study area, it is useful to examine employment trends in the Borough as a whole. Private sector employment in The Bronx has changed significantly in both number and character over the past several decades. As shown in Table 3.2-4, private sector employment increased by approximately 79 percent or 82,151 workers between 1997 and 2002.

Table 3.2-4:
Bronx and New York City Private Sector Employment: 1997-2002

New York City:

Major Industrial Category	Employment		Percent Change
	1997	2002	1997-2002
Manufacturing	207,975	143,211	-31.1%
Construction	24,024	20,886	-13.0%
Wholesale trade	185,407	173,590	n/a
Retail trade	232,494	254,183	9.3%
Real estate & rental & leasing	90,795	98,723	8.7%
Services	839,001	1,612,505	92.2%
Other	32,475	84,027	158.74%
Total	1,588,147	2,366,239	49.0%
Source: U.S. Bureau of the Census, 1997 and 2002 Economic Census.			

Bronx County:

Major Industrial Category	Employment		Percent Change
	1997	2002	1997-2002
Manufacturing	12,941	10,504	-18.83%
Manufacturing % of Total Employment	14.31%	6.37%	-55.51%
Construction	24,024	20,886	-13.06%
Wholesale trade	10,728	n/a	n/a
Retail trade	21,641	21,811	0.79%
Real estate & rental & leasing	7,435	9,612	29.28%
Services	36,659	115,848	216.02%
Other	1,055	7,245	586.73%
Total	103,755	185,906	79.18%
Source: U.S. Bureau of the Census, 1997 and 2002 Economic Census.			

Of all major employment categories, manufacturing experienced the largest decline in both absolute and relative numbers. Between 1997 and 2002, the sector lost approximately 2,437 jobs, or over 18 percent of its employment base. This decrease is

reflective of a broader, citywide decrease in manufacturing employment over the past several decades.

In recent years, there has been a steep decline in manufacturing employment in the portions of the proposed action area proposed for rezoning to residential or mixed-use. At the same time, retail and other non-manufacturing employment has increased in the primary study area. A variety of mostly small light industrial and manufacturing businesses are scattered throughout the areas proposed for rezoning to mixed-use. Businesses include food manufacturing and distribution, wholesale and warehousing, construction, and auto-related firms.

The employment distribution in the proposed action area is illustrated in Table 3.2-5, which is based on tract-level data from the US Census Journey-to-Work data in 2000. Data are not available at the block-group level, and more recent data is not available at the tract-level, where boundary definitions match perfectly with the primary study area but not with the proposed action area. Total employment figures for the primary study area between 1990 and 2000 indicate a reduction in total people employed within the primary study area. In 1990, 30,611 employees worked within the primary study area, whereas in 2000 only 26,548 employees were present, representing a 13 percent decrease in people employed within the primary study area. A more fine-grained analysis in sector loss cannot be performed using this data, as the data available for 1990 provides information on where people work, but not in what sector.

As shown in Table 3.2-5, employment in the roughly-defined proposed action area (the entirety of tracts 47, 49, 53.01 and 57) is dominated by the educational, health and social services sector, due largely in part to Hostos College and Lincoln Hospital. Transportation, warehousing and utilities jobs are next, constituting an additional 30 percent of area employment. Figures for the wider primary study area are similarly high for the educational, health and social services sector, but the next highest source of employment in this ½-mile area is in public administration, likely also due to the presence of several large public institutions.

Table 3.2-5:
Proposed Action Area and Primary Study Area Employment

Industry	Proposed Action Area	Primary Study Area
Armed forces	0.00%	0.18%
Agriculture, forestry, fishing and hunting and mining	0.56%	0.17%
Information	1.29%	1.05%
Arts, entertainment, recreation, accommodation and food services	1.83%	3.66%
Other services (except public administration)	2.49%	4.74%
Finance, insurance, real estate and rental and leasing	3.78%	4.64%
Wholesale trade	4.00%	2.67%
Construction	4.34%	4.83%
Professional, scientific, management, administrative, and waste management services	4.34%	5.20%
Public administration	6.10%	13.49%
Retail trade	7.55%	5.96%
Manufacturing	12.05%	6.16%
Transportation and warehousing and utilities	18.96%	7.93%
Educational, health and social services	32.61%	39.33%
Total Workers at Place of Work	**100%**	**100%**

Source: Census 2000 CTPP2 P-3: Total Workers 16 Years and Over at Place of Work in New York City (Regardless of Residence) by Industry

Physical and Economic Conditions

According to the *CEQR Technical Manual*, it is advisable to observe the primary study area first-hand during peak business times, as the level of activity, condition of buildings, and presence or absence of vacant properties can all be indicators of economic conditions. Industrial properties are scattered throughout the study area, with more heavy concentrations found within the proposed action area.

Based on field observations, the amount of business activity in these areas varies significantly. Portions of the proposed action and primary study areas, such as blocks along Grand Concourse, contain many active automotive-related businesses. Directly to the east and west are the areas in which manufacturing and warehousing operate or once operated. Along the waterfront, large tracts of underutilized land serve as parking or storage facilities, or sit vacant. Varying levels of business activity were observed.

Several construction firms showed signs of activity; however, many large industrial buildings appeared primarily vacant. As described in Chapter 2.0, "Project Description," most projected development sites are situated in areas or buildings containing little economic activity.

Table 3.2-6:
Commercial Establishments and Vacant Lots in
Lower Concourse Proposed Action Area, 2008

	Proposed Action Area	
Retail Area	**Number**	**Percent**
Furniture/ Door Assembly	4	3.42%
Manufacture (including motor repair, chemicals, wood)	5	4.27%
Misc Repairs	5	4.27%
Office/Studio	7	5.98%
Community Facility	9	7.69%
Self Storage Building Area	10	8.55%
Construction/ Contractors/ HVAC	11	9.40%
Warehouse/ Distributor	14	11.97%
Retail/ Restaurant	16	13.68%
Vacant Lot Area	16	13.68%
Auto repair, gas, car wash	20	17.09%
Total Firms in Proposed Action Area	**117**	**100.00%**
Source: Business Survey and Field Study conducted by DCP Spring 2008		

Table 3.2-7:
Existing Firms in Proposed Action Area: Building Area and Vacancy

Building Use	**Total Sq. Ft.**	**Percent**
Vacant SF	523,746	22.1%
Industrial SF	1,018,381	42.9%
Self-Storage and Non-Industrial	830,481	35.0%
Total Building Area	**2,372,608**	**100.00%**
Source: Business Survey and Field Study conducted by DCP Spring 2008, PLUTO data		

As illustrated in Table 3.2-6, the proposed action area includes a higher percentage of automotive uses and vacant land than the primary study area. As shown in Table 3.2-7, 22 percent of building area among firms within the proposed action area is vacant. Vacant land amounts to five percent of all lot area within the rezoning area, with most of this property clustered along the waterfront on the western end of the proposed rezoning area, and the southeastern corner of the proposed rezoning area. A high proportion of retail establishments are concentrated along the eastern edge of the rezoning area along Morris Avenue and Third Avenue.

Existing Conditions and Trends in Real Estate Values and Rents

As suggested in the *CEQR Technical Manual*, an understanding of an area's real estate conditions and trends can help inform an analysis of the potential for indirect business displacement. Because the main indirect business displacement concern for this proposed action pertains to industrial businesses rather than office or retail firms, the information presented here is focused on the physical and market characteristics of industrial space. The information was gathered through a combination of sources, including discussions with real estate brokers in the area, commercial real estate listings in local newspapers and on the Internet, and information collected from the Department of Finance's Real Property Assessment Data (RPAD).

As described in prior chapters of this EIS (see Chapter 2, "Land Use, Zoning, and Public Policy"), the proposed action area has a high concentration of industrial property and a low concentration of office, retail space and residential space. Based on field observations, a significant number of those industrial sites are currently in poor physical condition. This is particularly true in the proposed action area itself, indicating that little investment has been made in the area's industrial properties in recent years. Along the waterfront, uses include storage, bus parking, and a vacant lot.

Proposed Action Area

Approximately 68 lots (including approximately 1.2 million sf of lot area and 2.3 million sf of building space) in the proposed action area are classified as industrial land use. About two-thirds of these industrial buildings are one to two stories in height, and the average square footage per building is about 33,724 sf. In general, the industrial building stock is old – the average year built is 1940. Nearly 75 percent of all industrial use buildings in the proposed action area were constructed between 1900 and 1949. According to PLUTO data, only two industrial buildings have been constructed since 1974, and they were built in 2002 and 2006. It is apparent from field observations that many of the industrial buildings are underutilized.

According to Mastermind Development LLC, the industrial real estate market in the proposed action area has been relatively stable for several years and has few vacancies. Very few properties are on the market, and industrial properties that do go up for rent are usually occupied soon. Industrial rents have also remained stable, at between $10 and $15 per square foot, depending on the age and quality of the building. Rents are comparable per square foot to similar spaces elsewhere in the Bronx and the other boroughs outside of Manhattan, and transportation access is good, making the Lower Concourse area appealing to industrial tenants. There are, however, several industrially-zoned areas in the Bronx with similar highway access, and the proposed action area is not unique in its desirability for such tenants. As of August 2008, a web-based search on the New York Industrial Retention Network (NYIRN) website yielded 12 sites with over 380,000 sf of available industrial space in the Bronx.

The wide range of asking rents for industrial buildings in the Lower Concourse proposed action area could indicate a wide variety of quality and usefulness of different types of buildings in the proposed action and primary study areas. For example, some industrial buildings may command lower rents because they are either in poor physical condition or have a configuration that is either obsolete or unappealing to the needs of existing industrial businesses. Mastermind further reported a change in type of use, from automotive-related industries, to more warehousing, storage, and distribution firms.

Primary Study Area

Outside of the proposed action area but within the primary ½-mile study area, there are approximately 79 additional lots (including approximately 3.2 million sf of lot area and 3.1 million sf of building space) classified as industrial land use. The average square foot per lot for the study area is comparable to that in the proposed action area—with an average building square footage of 39,412. Over 85 percent of the industrial buildings in the study area outside of the proposed action area were built before 1950. Like the proposed action area, the primary study area is characterized by a similar demand for industrial space. Asking prices for industrial buildings are comparable in the primary study area to what they are in the proposed action area.

Zoning and Other Regulatory Controls

According to the *CEQR Technical Manual*, information on zoning and public policy can be useful in determining whether there exist certain areas that would be susceptible to indirect business displacement pressures. Chapter 3.1, "Land Use, Zoning, and Public Policy," describes the existing zoning and public policies affecting the primary study area, along with any changes anticipated for the future. As described previously, large clusters of light industrial businesses, such as the cluster located in the area in the southern portion of the proposed action area, will continue to be zoned for manufacturing use in the future with the proposed action.

Presence of Categories of Vulnerable Businesses/Institutions or Employment

According to the *CEQR Technical Manual*, it may be possible to identify categories of businesses, institutions, and types of employment in the area that are vulnerable to significant changes in real estate market conditions. The businesses that would be most vulnerable to displacement pressures would be those in portions of the proposed action area that would not benefit from the increased population and consumer spending – i.e. the industrial businesses whose customers are not located in the neighborhood. However, since manufacturing and other industrial employment in the Lower Concourse area and The Bronx has been decreasing for some time now (falling by almost 15 percent between 1997 and 2002) this would be a continuation of an existing trend and would not be expected to be significantly different in the future with the action, compared with the future without the action.

Moreover, as described above, the proposed action would not only create new residential zoning. It would also preserve approximately two full blocks and seven partial blocks of the proposed study area for light manufacturing (five of the seven partial blocks would be rezoned from M2-1 to M1-4; remainder would remain zoned M1-2). This area is located generally north of the Major Deegan Expressway, west of Park Avenue, south of East 138th Street, and east of Rider Avenue. This area is characterized by single-story and open air industrial uses such as storage and warehouses/ distribution. Several large employers are located in this area. The expressway and elevated rail tracks detract from street and sidewalk-level conditions. For these reasons, allowance of residential use is not proposed here. This rezoning is proposed to ensure that only light industrial uses and retail uses are allowed adjacent to proposed new residential areas.

The arts have been identified by some in the community as a valuable and growing area of employment for residents living within the primary study area. While data of artist-owned or occupied buildings in the form of live-work space or studios is unavailable, field surveys indicated limited properties that were formally available for such occupancy within the proposed action area and primary study area. Interviews with real estate representatives confirm that they have not received inquiries regarding available artist-suitable space within the primary study area boundaries. An arts and antiques district has evolved along the Alexander Avenue in the southernmost portion of Mott Haven, which draws artists and shoppers from across the city and surrounding area; however, this corridor is not dependent on any existing artist community within the proposed action area or primary study area that might be displaced under the With-Action scenario.

Further, the proposed action is anticipated to encourage mixed-use development with both residential and local retail space along major and minor corridors. The conversion of existing loft and warehouse spaces would be suitable for a growing artist community. Local nonprofits and community groups may also choose to occupy the community facility space that will be added to the proposed action area, helping to foster a greater support network for emerging artists.

The intent of these zoning changes is to create a more rational zoning framework that would help protect high performance light manufacturing activities, as well as promote new residential development. The proposed action would create opportunities for new housing development on underutilized and vacant land in this highly-transit accessible location. This will allow for additional investments and continuation of the revitalization of the South Bronx. In addition, the proposed mixed-use districts would permit the continuation of light industrial uses as well as the development of new light industrial uses. Lifting restrictions on the size of food stores within the rezoning area would provide additional opportunities for new grocery stores in the South Bronx, which is currently underserved by such stores.

Land Use and Transportation Service

According to the *CEQR Technical Manual*, observation of land uses and the street and transit systems in the area help guide development projections. There is good public transportation throughout the proposed action area and primary study area. The Lower Concourse area is served by the 4, 5, 6, and 2 lines of the MTA subway. The strength of the public transportation system in this area has not been fully utilized through zoning that has limited residential and commercial development. In the future With-Action scenario, residential development would occur throughout the proposed action area, and would be focused on projected development sites. However, as discussed above, the proposed action would provide new areas for mixed-use development and light industrial uses as well as residential growth, providing a more logical zoning framework and thereby helping to protect the remaining manufacturing and other light industrial uses.

FUTURE WITHOUT THE PROPOSED ACTION

This section describes the employment conditions that are expected in the future without the proposed action, presenting employment changes that are projected to occur in the proposed action and primary study areas in the foreseeable future, or through 2018. The analysis for the primary study areas is based on projects known to be planned for the area. The analysis for the proposed action area is based on projections for development that would likely occur on the 31 projected development sites.

Proposed Action Area

The No-Action scenario assumes the conversion of industrial and vacant space to office space by 2018, a likely scenario given rising rents and a decrease in industrial employment in the area and citywide. An estimated 2,992 employees would be expected with the development of nearly 600,000 sf of office space under the No-Action scenario. It is important to note that this estimate is based only on known or anticipated future commercial developments. It does not account for continued decreases in manufacturing employment or continued growth in other employment sectors. It is likely that manufacturing employment would continue to decrease in the future without the proposed action. Between 1997 and 2002, manufacturing employment in the Bronx fell by approximately 19 percent, or 2,437 workers. Among residents living within the proposed action area, those employed in manufacturing declined by nearly 32 percent, or 609 workers. It is likely that this decline in manufacturing employment would continue into the future regardless of the proposed action.

Primary Study Area

Data showing changes in employment trends over time within the primary study area are not available. However, 2000 Census Journey to Work data and interviews with area real estate brokers, as presented in the existing conditions, indicate that employment in the primary study area is dominated by the Education, Health and Social Services and

Public Administration sectors. Absent the proposed action, it is expected that trends within the project area will be similar to recent trends in the Bronx, which experienced an 18 percent decline in manufacturing employment between 1990 and 2000 and growth within the retail and services industries. Given these trends, and projections under the RWCDS as described in Chapter 2.0, Project Description, it is likely that manufacturing and industrial employment in the project area will continue to decline at similar rates, replaced with office-based employment in the services industries as well as retail employment.

FUTURE WITH THE PROPOSED ACTION

The total development projected to occur in the future with the proposed actions would consist of up to 3416 dwelling units and 677,520 sf of retail space. It is expected that many of the development sites could be developed under the existing zoning in the future without the proposed actions (the "No Build" condition). The net development, or incremental difference in total development between the No Build condition and approval of the proposed actions, is 3414 dwelling units and 571,162 sf of retail space.

Indirect business displacement is the involuntary displacement of businesses that results from a change in socioeconomic conditions created by a proposed action. Similar to indirect residential displacement, the issue for indirect business displacement is that an action would increase property values and thus rents throughout the primary study area, making it difficult for some categories of business to remain at their current locations.

According to the *CEQR Technical Manual*, the detailed analysis of indirect business and institutional displacement should qualitatively assess whether, and under what conditions, the proposed actions would stimulate changes that would raise either property values or rents and, if so, whether this would make existing categories of tenants vulnerable to displacement. The uses most susceptible to indirect displacement would be the remaining light industrial uses in the rezoned areas and surrounding primary study area, which would not directly benefit from the increased spending potential created by the enhanced retail activities or the new residents. Property owners in formerly manufacturing districts could seek to vacate existing tenants in order to redevelop their property for commercial retail or office use, or as mixed-use buildings with residential units.

Project Area

The proposed action would introduce an estimated 571,162 sf of retail space, and 164,285 sf of hotel space to the proposed action area – this square footage represents a net incremental difference over what would be expected to occur under the No-Action scenario. The proposed action would result in a loss of 598,351 sf of office space when compared with the No-Action scenario. There is no existing office space in the proposed action area, nor is there any proposed under the With Action scenario; however, the No-Action scenario assumes the conversion of industrial and vacant space to office space by 2018, a likely scenario given rising rents and a decrease in industrial employment in the

area and citywide. Considering that the primary study area contains over 1 million sf of commercial space along its major commercial corridors (not including other establishments scattered throughout the area) this amount of new development is not likely to compete directly with nearby commercial developments. Rather, the proposed action will serve the primary study area's existing and new residents and will help meet additional unmet demand for retail and services in the area.

The new commercial establishments would be dispersed throughout the proposed action area, and the types of commercial uses expected under the proposed action—neighborhood retail and services—would not be new to the proposed action area. The proposed action area alone presently contains approximately 138 active retail and neighborhood businesses.

The expanded commercial space would provide local goods and services for the new population that would move into the area under the proposed action. This is true particularly at the waterfront sites, where a net increase of more than 350,000 sf of retail space and 1.5 million sf of residential space would be expected to occur under the With-Action scenario as compared with the No-Action scenario. Thus, because the commercial retail uses would serve the added demand from the future new resident populations, it is not expected that the proposed action would result in significant adverse impacts. The proposed mixed-use districts would permit the continuation of light industrial uses as well as the development of new light industrial uses.

The proposed zoning text amendment would permit food stores of any size as-of-right within the proposed rezoning area. Currently, food stores over 10,000 square feet are only allowed within M1 districts by special permit of the City Planning Commission. The South Bronx is currently underserved by grocery stores and by stores providing fresh produce.[6] In order to provide additional opportunities for new grocery store development, food stores of any size up to the maximum allowable Floor Area Ratio, or FAR, would be allowed as-of-right within M1-4 zoning districts in Bronx Community District 1. For the proposed rezoning area, three parcels have been identified as potential food store sites, subject to height and bulk regulations and the proposed mixed-use zoning of the district where food stores would be allowed. The projected size of the food stores could range from approximately 18,000 to 50,000 gross square feet, including circulation and mechanical space. The additional square footage of food retail would benefit existing and new residents, but the sizes of any stores developed would be unlikely to draw from the wider region or alter economic patterns within the primary study area.

The proposed action would also permit the as-of-right residential conversion or redevelopment of properties in the proposed action area that, in the future without the action, would continue to be manufacturing-zoned. This may marginally alter existing economic patterns. However, a trend of rising incomes, and falling manufacturing and

[6] See *Going to Market: New York City's Neighborhood Grocery Store and Supermarket Shortage*, presented by the Department of City Planning, April 2008.

other industrial employment has already been observed in those locations where as-of-right residential development would be permitted by the proposed action.

Although the proposal would also lead to the redevelopment of vacant and underutilized properties, the resulting new commercial development is expect to serve primarily the existing and new residential communities and is not expected to attract a significant amount of new commercial uses beyond what is described in the RWCDS. Moreover, manufacturing zoning is proposed to be retained in those areas that continue to have a concentration of industrial businesses. A total of 2.1 million SF of non-vacant industrial space is in use within the proposed rezoning area. Under the proposed action, this will decrease by 308,872 sf from what would be expected to occur in the future without the action. Although this slightly exceeds current industrial vacancy in the rezoning area today, as shown in Table 3.2-7 above, existing levels of manufacturing employment and real estate demand are likely to decline, consistent with long term trends of declining manufacturing employment in the city and the borough. Therefore, it is expected that in the future with the proposed action adequate industrial space will remain in the neighborhood to accommodate demand and indirect displacement of these firms due to increased demand for commercial space created by the proposed action is considered unlikely.

Primary Study Area

Employment in this study area is dominated by the Education, Health and Social Services and Public Administration sectors, as shown above in Table 3.2-5. These industries are expected to continue to grow, along with the retail sector, reflecting trends in both The Bronx and the city. Employment within manufacturing, construction, transportation and warehousing and utilities, and wholesale sectors – industries that would not likely benefit from increased sales revenue due to a local increase in population and could potentially be vulnerable to secondary displacement – represented approximately 22 percent of the total primary study area employment in 2000, and are expected to decline in the future, consistent with both borough and city trends shown in Table 3.2-4.

Given that the proposed actions are not expected to cause significant or adverse indirect displacement of these categories of businesses with the rezoning area, it is unlikely that similar firms within the primary study area – located further from the rezoning area and even more isolated from the potential effects on the real estate market – would face increased secondary displacement pressure as a result of the proposed action. Therefore, changes within the primary study area in the future with the proposed action are expected to be similar to changes that would occur in the area absent the proposed action and indirect displacement of these firms due to increased demand for commercial space created by the proposed action is considered unlikely.

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.

This preliminary analysis is based on the screening criteria (in italics, below) presented in section 323 of the *CEQR Technical Manual*. According the manual, a proposed action may have a significant adverse impact on specific industries if:

> ***The action significantly affects business conditions in any industry or category of business within or outside of the study area.***

As described above, the businesses subject to direct displacement vary in type and size, and are not concentrated around any specialized industry.

None of the products or services provided by the displaced businesses is unique to the city or the region, and similar products and services are offered at other locations borough- and citywide. Their business operations do not require that they remain in the proposed action area and there would not be a significant adverse effect on businesses or consumers in losing any of the displaced businesses. Therefore, the detailed assessment concludes that the proposed actions would not cause a significant adverse direct business displacement impact.

> ***The action indirectly substantially reduces employment or impairs the economic viability in the industry or category of business.***

As described in the indirect business displacement assessment, the proposed action would not indirectly substantially reduce employment or impair the viability of an industry or category of business that would not otherwise occur under the No-Action scenario. Combined, the 126 employees subject to direct displacement represent approximately less than one percent of the jobs in the Lower Concourse primary study area according to 2008 estimates.

> ***Directly displaces 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.***

The proposed action would not displace uses that directly support local businesses or that draw a customer base to the area. As described earlier under "Direct Business Displacement," a small number of wholesale or manufacturing firms could be directly displaced as a result of the proposed action. These types of firms do not typically draw large volumes of customers to their locations, thereby creating a customer base for surrounding businesses. In addition, the proposed action would create a whole new customer base of residents, employees, and visitors drawn to the waterfront and the new mixed-use development. As a result, it is not expected that the proposed action would result in a significant adverse impact on local business support.

Directly or indirectly displaces residents, workers, or visitors who form the customer base of existing businesses in the area.

As stated above, the proposed action would directly displace five residents. And although it could directly displace up to 126 employees, future total employment in the proposed action area is anticipated to be higher under With-Action conditions than under existing conditions. New businesses anticipated under the proposed action would bring approximately 3,430 new jobs to the proposed action area over existing conditions, an increase of approximately 105 net new jobs when compared to No-Action conditions.[7] The low number of new jobs anticipated under the With-Action Scenario compared to the No-Action Scenario is owing to the creation of significant residential square footage in the proposed action area, better reflecting community land use demands and thereby increasing the customer base for existing and new businesses in the area.

The influx of approximately 8,262 net new residents would create a sizable new customer base for existing and planned retail and services businesses.

INDIRECT RESIDENTIAL DISPLACEMENT

The possibility that the proposed action could cause significant indirect residential displacement impacts that would not occur under the No-Action scenario could not be ruled out through the preliminary assessment presented above. Therefore, a detailed analysis is necessary. According to section 332.1 of the *CEQR Technical Manual*, the approach to a detailed assessment of indirect residential displacement is similar to that of the preliminary assessment but requires more in-depth analysis of Census information and can include field surveys and interviews. The objective of the analysis is to characterize existing conditions of residents and housing in order to identify populations that may be vulnerable to displacement ("populations at risk"), to assess current and future socioeconomic trends in the area that may affect these populations, and to examine the potential effects of the proposed action on prevailing socioeconomic trends and, thus, its impact on the identified populations at risk.

In accordance with CEQR guidelines, this analysis is divided into three sections: existing conditions, including detailed population and housing characteristics, future No-Action conditions, and future With-Action conditions, including a determination about whether the proposed action would cause significant indirect residential displacement impacts.

As explained in the Data Sources and Methodology section of this chapter, the proposed action and primary study area boundaries do not match the boundaries of U.S. Census tracts. Therefore, for the proposed action area, Census data were gathered at the block group-level. Block groups that straddle the proposed action area boundary were included or excluded in the proposed action area calculations depending on what proportion of the block fell within the proposed action area (i.e., blocks with more than

[7] This estimate is based on the assumption of 1 employee per 300 sf of retail, office, hotel and community facility space, and 1 employee per 1000 sf of industrial space.

50 percent of the block area within the proposed action area were included, as were those where the majority of the block group's active land-uses fell within the proposed action area). The primary study area includes Census tracts in their entirety that have at least 50 percent of their area within the outer boundary of the primary study area. Refer to Figure 3.2-1, which displays the blocks and Census tracts that were included in the proposed action and primary study areas.

EXISTING CONDITIONS

This section describes the population and housing characteristics of the proposed action and primary study areas, presents trend data since 1989, and compares proposed action and primary study area characteristics to the borough and city as a whole. As described below, the characteristics of the proposed action area differ from those of The Bronx and New York City in several ways. For example, Table 3.2-11 illustrates how the median household income in the proposed action area is approximately half the median household income for The Bronx as a whole. Using 1999 adjusted figures, the median household income in The Bronx decreased by 3.5 percent between 1989 and 1999, while the proposed action area experienced a 37 percent increase in median household income between 1989 and 1999. Table 3.2-11a compares 1999 (adjusted) Census data and 2006 ACS income data, and shows declining median household incomes continuing in The Bronx (decreasing six percent again from 1999 to 2006), but reversing dramatically for New York City as a whole (increasing nearly 12 percent between 1999 and 2006). Similar figures for the proposed action area and primary study area are not available using the 2006 ACS.

Trends in proposed action area rental rates also differ from those in The Bronx as a whole. Between 1989 and 1999, proposed action area rents increased by approximately 42 percent, compared to a nine percent increase in the Borough of The Bronx.

Population

According to the 2000 Census, the combined population of the proposed action area and primary study area was approximately 60,191 people. The 2008 population is estimated at 61,361, based on population growth rates and known developments since 2000. As shown in Table 3.2-8, the primary study area's population increased by two percent from 1990 to 2008—growing at a slower rate than the Bronx, which saw a population increase of 13 percent over the same period, and the city as a whole, which grew by 12 percent. The proposed action area population decreased during this same period, losing 137 residents, or 35 percent, of its population. Given the lack of residential zoning currently in the proposed action area, it would have been surprising to have seen a marked increase in residential population.

Table 3.2-8:
Population Change 1990-2008

Area	*Total Population*			*Absolute Change*		Percentage Change 1990 to 2000	Percentage Change 2000 to 2008	Percentage Change 1990 to 2008
	1990	2000	2008	1990 to 2000	2000 to 2008			
Proposed Action Area	392	255	255	-137	0	-34.95%	0.00%	-34.95%
Primary Study Area	60,004	60,191	61,361[1]	187	1,170	0.31%	1.94%	2.26%
Bronx	1,203,789	1,332,650	1,361,473	128,861	28,823	10.70%	2.16%	13.10%
New York City	7,322,564	8,008,278	8,214,426	685,714	206,148	9.36%	2.57%	12.18%

Sources: U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census, Summary, File 1.
[1]Population estimate for 2008 based on new houses added 2000-2008 with 2000 vacancy rates and household size.

While the population of the primary study area grew between 1990 and 2000, its age distribution has stayed generally constant (according to 1990 and 2000 Census data). Table 3.2-9 shows the percent of the total population falling into each age bracket in 1990 and 2000. As shown in the table, the proportion of the population that might be considered to be the "young workforce" (ages 18 to 29) fell by approximately four percentage points between 1990 and 2000, from 22 percent in 1990 to 18 percent in 2000. This trend was even more pronounced in the proposed action area, where the "young workforce" population decreased from 26 percent in 1990 to 20 percent in 2000.

Table 3.2-9:
Age Distribution as Percent of Total Population, 1990 and 2000

	1990 (percent of total population)								2000 (percent of total population)							
Age	0–17	18-24	25-29	30-34	35-39	40-49	50-59	60+	0-17	18-24	25-29	30-34	35-39	40-49	50-59	60+
Proposed Action Area	40.3	12.0	14.0	13.8	8.4	12.8	11.2	8.9	24.4	9.8	9.8	6.6	9.8	14.8	10.9	14.0
Primary Study Area	32	12.8	8.8	7.4	6.3	11.4	8.9	12.4	32.7	11.8	6.5	6.9	7.3	12.7	9.6	12.8

Source: U.S. Bureau of the Census, 1999 and 2000 Census; 1990 Summary File 1B and 2000 Summary File 1

Proposed Action Area: Population

As shown on Table 3.2-8, the 2000 Census counted approximately 255 people in the proposed action area. The population fell by 35 percent between 1990 and 2000—a contrast to the 11 percent population increase that occurred across the Borough over that decade.

Based on New York City Department of Finance Real Property Assessment Data (RPAD) and final certificate of occupancy data from the New York City Department of City Planning, no new housing units were added to the proposed action area between the 2000 Census and June 2008.

Primary Study Area: Population

According to the 2000 Census, approximately 60,191 people reside in the primary study area. As shown in Table 3.2-8, between 1990 and 2000, the area's population grew by approximately 187 persons or less than half of one percent —a modest increase when compared to the 11 percent increase that occurred in The Bronx and the nine percent increase experienced in the city over that time period.

The primary study area has gained approximately 416 housing units since the 2000 Census, as shown in Table 3.2-10. Assuming an average household size of 2.81 persons per household and that the vacancy rate has remained at seven percent (see Households and Income section below), these new units have led to a population increase of approximately 1,170 people, bringing the total current population to approximately 61,361.

Households and Income

According to the 2000 Census adjusted for 2008 estimates, the primary study area contains a total of approximately 21,445 households. The average household size for the area is the same as the average household size for The Bronx — 2.8 persons per household — and slightly higher than the 2.6 average across the city.

Income characteristics for the primary study area population are described below using three measures: median household income, average household income, and poverty rate. The median household income represents the mid-point of all household incomes in the area under analysis. The average household income is calculated by dividing aggregate income by the total number of households in the area under analysis. The presence of high income households will raise the average income, sometimes substantially higher than the median or mid-point of household incomes in the area under analysis. As shown in Table 3.2-11, the average household incomes are higher than the medians for the proposed action and primary study areas (41-50 percent higher); indicating that each contains a population that is earning significantly more than the median household income.

As a whole, the Lower Concourse primary study area is characterized by median and average household incomes that are lower than the medians and averages for The Bronx and New York. Using 2000 Census data, the area's median household income ($18,620) is approximately 67 percent of the median for The Bronx ($27,611) and less than half of the median for New York City ($38,293). The primary study area's average household income ($28,024) is approximately 70 percent of the Bronx average ($38,962) and less than one-third of the New York City average ($88,158). The poverty rate for the primary study area is high, with 36.8 percent of the population living below the poverty level. Table 3.2-15 includes household characteristics and Tables 3.2-17 and 3.2-18 present income characteristics for the proposed action area, the half-mile primary study area, and The Bronx and New York City.

Proposed Action Area: Households and Income

According to the 2000 Census, adjusted for construction between 2000 and 2008 and considering 2000 vacancy rates, there are approximately 97 households in the proposed action area, and the average household size is 2.42 persons. The median household income increased by 37.26 percent in constant dollar terms between 1989 and 1999 (from $10,259 to $14,081) so that in 1999 it was about half the median for The Bronx ($27,611), and only 37 percent of the median for New York City ($38,293). In comparison, the median household incomes for The Bronx and New York City decreased by 3.6 percent and 5.5 percent, respectively, between 1989 and 1999. The average household income in the proposed action area also increased in constant dollar terms between 1989 and 1999—by 18 percent over the ten year period - and is about half of the average household income in The Bronx as a whole. This rate of increase in average incomes in the proposed action area was markedly higher than the one experienced in The Bronx as a whole, where average incomes declined by 0.6 percent, but is more comparable to the city-wide increase (13.9 percent). Lower incomes in the proposed action area and primary study area are likely due to the presence of a large number of public housing units, where median incomes tend to be lower. As discussed later, the median incomes for households in Census tracts with a higher proportion of single-family homes, as opposed to public housing complexes, are closer to the Bronx borough average.

The poverty level in the proposed action area decreased from 73 percent to 36 percent between 1989 and 1999. This significant decrease may be skewed by the small population currently living in the proposed action area, particularly given the population loss that occurred in the area between 1990 and 2000 (from 392 to 348 people). As of the 2000 Census, the poverty rate in the proposed action area was lower than the poverty rate for the primary study area (41 percent) but still higher than The Bronx and New York (31 percent and 21 percent, respectively). Again, this can be attributed to the concentration of public housing complexes in the primary study area.

Primary Study Area: Households and Income

Table 3.2-10 illustrates that there are approximately 21,445 households in the primary study area as of 2008 — an increase of five percent over 1990. These figures were based on 1990 and 2000 Census data, and the 2008 household figure takes into account new construction between 2000 and 2008 as reported by the Department of Buildings. This figure was then adjusted based on 2000 vacancy rates.

Tables 3.2-12a and 3.2-12b display median and average household incomes. Incomes values in the area decreased slightly between 1990 and 2000, from a median of $16,949 in 1989 to $18,620 in 1999 and an average of $19,073 in 1989 to $28,024 in 1999. At the same time, however, the poverty rate decreased, from 46 percent to 41 percent. Census tracts in the southeastern portion of the primary study area generally have lower median household incomes and higher poverty rates than those located in the northern portion of the primary study area.

Table 3.2-10:
Household Characteristics

Area	Total Households					Average Household Size	
	1990	2000	2008[1,2]	% Change 1990 to 2000	% change 1990 to 2008	1990	2000
Proposed Action Area	130	97	97	-25.38%	-25.38%	3.02	2.42
Primary Study Area	20,330	21,029	21,445	3.44%	5.48%	2.90	2.81
Bronx	424,112	463,212	470,839	9.22%	11.02%	2.74	2.78
New York City	2819401	3,021,588	3,020,284	7.30%	7.13%	2.54	2.59

Sources: U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census, Summary, File 1
[1] 2008 Proposed Action Area and Primary Study Area estimates based on RPAD new housing added , with 7.29% vacancy
[2] 2008 figures for Bronx and New York City based on 2006 ACS estimates

Table 3.2-11:
Household Income 1989-1999

Area	Median Income [1]			Average Income		
	1989	1999	% Change	1989	1999	% Change
Proposed Action Area[2]	$10,259	$14,081	37.26%	$16,921	$19,973	18.04%
Primary Study Area	$16,949	$18,620	9.86%	$19,073	$28,024	46.93%
Bronx	$28,629	$27,611	-3.56%	$39,200	$38,962	-0.61%
New York City	$40,419	$38,293	-5.20%	$77,406	$88,158	13.89%

Notes:
1. All 1989 values were converted to 1999 constant dollars using the US Department of Labor's CPI Inflation Calculator
2. Only BG 1, Tract 49, and BG 2, Tract 47 reported any income. Median is derived from these values.
3. Census ACS 2006 data available for Bronx and NYC
Sources: U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census, Summary File 1 & Summary File 3, 2006 ACS.

Table 3.2-11a:
Household Income 1999-2006

Area	Median Income [1]			Average Income		
	1999	2006 ACS	% change 1999-2006	1999	2006 ACS	% change 1999 - 2006
Bronx	$33,412	$31,494	-5.74%	$47,147	$42,899	-9.01%
New York City	$46,338	$51,830	11.85%	$106,679	$79,565	-25.42%

Notes:
1. All 1999 values were converted to 2006 constant dollars using the US Department of Labor's CPI Inflation Calculator
Sources: 2006 Census American Community Survey.

Housing

The type, quality, and age of housing structures vary across the primary study area. Many residential blocks are lined with large multi-family elevator buildings. Examples include: portions of Third Avenue, Alexander Avenue, Willis Avenue and Park Avenue. There are fifteen residential buildings within the proposed action area, according to PLUTO data. Four of these have between 25 and 28 units; the remaining 11 have fewer than five units each. Areas defined primarily by single- or two-family homes include the eastern portion of the primary study area, particularly the blocks between Willis Avenue and Brook Avenue, and in the portion bounded by Morris Avenue and Third Avenue to the west and east, and by 145th and 153rd streets to the south and north.

Table 3.2-12:
Percent of Population Below Poverty Level

Area	1989	1999	Change
Proposed Action Area	73.04%	36.80%	-36.25
Primary Study Area	46.18%	41.37%	-4.81
Bronx	28.70%	30.70%	2.00
New York City	19.30%	21.20%	1.90

Notes: The Census Bureau uses a set of money income thresholds that vary by family size and composition to detect who is poor. If the total income for a family or unrelated individual falls below the relevant poverty threshold, then the family or unrelated individual is classified as being "below the poverty level."
Sources: U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census,
Summary File 1 and Summary File 3.

Proposed Action Area and Primary Study Area: Housing

According to the 2000 Census, there are approximately 101 occupied housing units in the proposed action area. (See Table 3.2-13.) Of these, approximately four percent are owner-occupied and 96 percent are renter-occupied (see Table 3.2-19). This owner-occupancy rate is low when compared to the averages for The Bronx (20 percent) and New York City (30 percent). The vacancy rate in 2000 in the proposed action area was 11 percent, up from four percent in 1990. This rate is higher than the primary study area's vacancy rate in 2000 of seven percent, both of which are higher than the six percent vacancy rate in the Bronx and the 5.6 percent rate in New York City. The increase in housing vacancies in the proposed action area is reflected in the population decrease over the same period and the lack of new residential construction between 2000 and 2008.

Table 3.2-13:
Housing Units and Vacancy

Area	Total Housing Units		Vacant Housing Units		Percent Vacant	
	1990	2000	1990	2000	1990	2000
Proposed Action Area	136	114	6	13	4.41%	11.40%
Primary Study Area	20,829	22,682	499	1,653	2%	7.29%
Bronx	440,955	490,659	16,843	27,447	3.80%	5.60%
New York City	2,992,169	3,200,912	172,768	179,324	5.80%	5.60%

Sources: U.S. Department of Commerce, Bureau of Census, 1990 and 2000 Census, Summary File 1 and Summary File 3.

Table 3.2-14:
Housing Tenure

Area	Owner Occupied Housing Units				Renter Occupied Housing Units			
	1990		2000		1990		2000	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Proposed Action Area	3	2.31%	4	3.96%	127	97.69%	97	96.04%
Primary Study Area	1,298	6%	1,959	9.32%	19,032	91%	19,070	90.68%
Bronx	75,842	17.88%	90,687	19.58%	348,270	82.12%	372,525	80.42%
New York City	807,378	28.60%	912,296	30.20%	2,012,023	71.40%	2,109,292	69.80%

Sources: U.S. Department of Commerce, Bureau of Census, 1990 and 2000 Census, Summary File 1 and Summary File 3.

Based on the number of building permits issued from 2000 through 2008, the primary study area has gained approximately 449 housing units since the 2000 Census, none of which were added to the proposed action area. This brings the 2008 housing unit count for the primary study area to approximately 23,131.

Median contract rent for the primary study area was lower than the average for The Bronx and New York City in 2000. While the median contract rent in the proposed action area increased in constant dollar terms (i.e., adjusted for the effects of inflation) nearly 42 percent between 1990 and 2000 and is higher than the median contract rent for the primary study area, the relatively few housing units in the area makes these figures difficult to meaningfully analyze. In the primary study area, median contract rents decreased by five percent between 1990 and 2000, contrasting with approximately nine percent and 11 percent gains in the borough and the city, respectively, during this same period.

While Census data on median contract rent provide a statistical basis for comparing trends in changing values and rents, these data are affected by factors such as the presence of rent-regulated housing units in the city and primary study area, and so do not reflect market trends experienced in non-regulated apartments. In order to obtain a more accurate picture of current market rate rents in the primary study area, real estate firms specializing in the Lower Concourse area's residential markets were contacted and asked to provide information on rents in the primary study area. The information provided by these firms indicates that rental rates in the primary study area vary according to the type and location of the unit, due to the high quantity of public housing within the primary study area. There have been few new units built in the primary study area – and none in the proposed action area – since 2000, although some older housing stock has been gut-renovated and significantly updated. Most of the market interest among new buyers in the community is around this type of housing. Current apartment listings and conversations with local real estate experts indicate that, on average, market-rate one bedroom apartments (i.e., apartments that are not subject to rent regulations) in the Lower Concourse area rent for roughly $1,200. Market-rate two

bedroom units in the Lower Concourse area rent for between $1,400 and $1,600 per month.[8]

Table 3.2-15:
Housing Characteristics

Area	Median Contract Rent [1]		
	1990	2000	% Change
Proposed Action Area	$344	$488	41.86%
Primary Study Area	$394	$373	-5.27%
Bronx	$568	$620	9.15%
New York City	$637	$705	10.68%

Notes:
[1] All 1990 values were converted to 2000 constant dollars using the US Department of Labor's CPI Inflation Calculator
Source: U.S. Department of Commerce, Bureau of Census, 1990 and 2000 Census, Summary File 1 and Summary File 3.

According to local real estate experts, rental rates for rent regulated apartments are more difficult to estimate because they tend to turn over less frequently than market rate apartments, and so there are fewer listings to judge average rental rates from. However, one brokerage firm (Corcoran Realty) indicated that rental rates for three bedroom rent stabilized apartments in the primary study area are in the vicinity of $800 or less per month. Census values from 2000 appear lower than this estimate; however, Corcoran was only able to provide an estimate for three bedroom apartments and does not deal directly with the renting of such units.

Rent-Regulated Housing

The rental rates for many of the housing units in New York City are controlled through several mechanisms: rent control, rent stabilization, direct public subsidies to landlords, and public ownership.

There are two main types of rent regulation programs in New York City: rent control and rent stabilization. Rent control limits the rent an owner may charge for an apartment and restricts the right of an owner to evict tenants. In New York City, the rent control program applies to apartments in residential buildings containing three or more units and constructed before February 1947. For an apartment to fall under rent control, the tenant must have been living in that apartment continuously since before July 1, 1971. When a rent controlled apartment becomes vacant, it either becomes rent stabilized or, if it is in a building with fewer than six units, is removed from regulation. Rent stabilization limits the annual rate at which rents can increase. In New York City, rent stabilization generally applies to apartments in buildings containing six or more units built between February 1, 1947 and January 1, 1974. An apartment is no longer subject to

[8] Rental rates for the Lower Concourse proposed action area and primary study area were gathered through phone conversations with a local real estate agent at Corcoran Realty, and through real estate sections of local newspapers such as the New York Times during July 2008.

rent stabilization if it becomes vacant and could be offered at a legal regulated rent of $2,000 or more, or if it is occupied by tenants whose total annual household income exceeds $175,000.

Other programs and types of housing offering rent protection include Section 8 housing, Mitchell-Lama developments, public housing, and 421-a or 420-c tax abated buildings. These housing types are defined as follows:

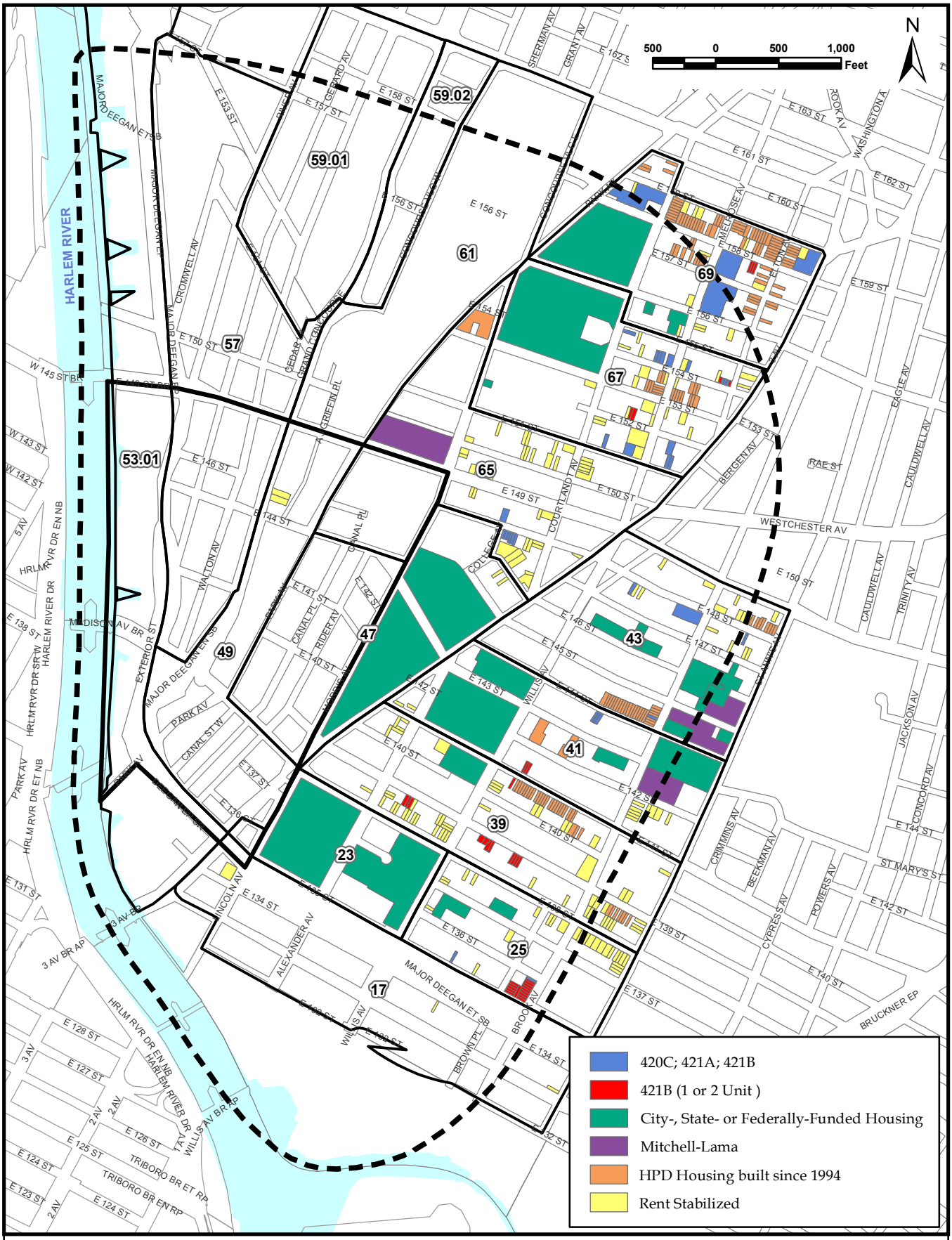
Section 8: Section 8 housing units are rental units owned by landlords who participate in the low-income rental assistance program. Landlords receive subsidies from the government on behalf of low-income tenants, and the tenants then pay the difference between the actual rent charged by the landlord and the amount that is subsidized by the program. This enables the tenants to pay a limited proportion of their incomes toward rent.

Mitchell-Lama housing: According to the New York City Department of Housing Preservation and Development (HPD) the New York State Mitchell-Lama Program was created in 1955 as a means of providing affordable rental and cooperative housing to moderate- and middle-income families. Under the Mitchell-Lama program, the City and State provide low-interest mortgages and/or tax exemptions to Mitchell-Lama buildings, and in exchange, building owners must adhere to limitations on profits, income limits on tenants, and supervision by appropriate government agencies. Income requirements for Mitchell-Lama housing vary by development, household size, and rent rates, but in City-sponsored projects, eligibility is generally based on the median income in which the development is located.

Public housing: According to HPD, public housing refers to housing units constructed and managed by government for low-income households. In New York City, public housing developments are managed by the New York City Housing Authority (NYCHA), most of which are funded in large part by the federal Department of Housing and Urban Development (HUD).

421-a buildings: According to the New York City Rent Guidelines Board, newly constructed multiple dwelling buildings with three or more units are eligible for 421-a tax abatement status. In order to receive the abatement, the building owner must agree to stabilize rents in his or her building for a prescribed period. Owners may charge initial rents according to a formula that accounts for development costs and operating expenses, and may only charge guideline rent increases plus 2.2 percent of the original rent per year over the course of the abatement period.

420-c buildings: According to the New York City Rent Guidelines Board, the 420-c program provides tax exemptions for housing that is: owned or controlled by a non-profit housing development fund company; subject to regulatory agreement that requires use as low-income housing; financed in part with a loan from the city or state; and financed with federal low-income housing tax credits.



Legend

- Proposed Rezoning Area
- 1/2-Mile Radius around Proposed Rezoning Area
- (17) 2000 Census Tract

Source: NYC Department of City Planning 2008

Figure 3.2-2: Assisted Housing Units in the Study Area

Lower Concourse Rezoning and Related Actions EIS

NYC Department of City Planning

Figure 3.2-2 shows all of the rent stabilized, City- State- and Federally-Assisted Housing, Mitchell-Lama, and 421-a/421-b/420-c housing units in the primary study area. The maps also show owner-occupied condos and coops and single-family homes (which are likely to be owner-occupied) as well as non-residential buildings that, based on field observations, are now residentially occupied. Many of the remaining buildings, classified as "All Other Housing," are likely to be unprotected by rent regulations or housing programs. It is important to note, however, that some portion of these buildings are owner-occupied and therefore would not be considered unprotected.

Based on data from the New York State Division of Housing and Community Renewal (DHCR) and the New York City Department of Finance PLUTO Database, it is estimated that there are a total of 17,580 rent-stabilized housing units in the primary study area. This number includes the 8,934 public housing units in 31 buildings that fall under ownership of the New York City Housing Authority, representing 47 percent of the primary study area's 19,070 renter-occupied units.

According to the *CEQR Technical Manual*, a population at risk of indirect displacement consists of people living in privately held units unprotected by rent control, rent stabilization, or other forms of rent control, whose incomes or poverty status indicate that they could not support substantial rent increases that would occur as a result of the proposed action.

This section of the chapter presents information needed to determine whether the primary study area contains a population that would be at risk of indirect displacement under the proposed action. This information (which includes a tract-level analysis of the primary study area's economic characteristics along with the estimated number of unprotected rental units in each of the primary study area's Census tracts) is followed by an analysis of the "population at risk." The methodology for determining whether and where that population at risk is located is presented below, under "Identifying Population at Risk."

Population Currently At Risk of Indirect Displacement

Economic Status of Proposed Action and Primary Study Area Population: Detailed Analysis

In general, the primary study area is characterized by a relatively high percentage of low- and moderate-income households. As discussed earlier, the poverty rate for the primary study area (41.37 percent) is higher than the borough-wide and citywide rates, and according to the 2000 Census, median household income in the primary study area, ($18,620) is lower than the median household income for both the Bronx ($27,611) and New York City ($38,293). The average household income for the study area ($28,024) is also lower than the borough-wide average ($38,962) and city-wide average ($88,158). However median household income in the primary study area increased by 9.86 percent between 1989 and 1999 (in constant dollar terms), compared with decreases in the Bronx (-3.56 percent) and New York City (-5.2 percent).

The characteristics of the proposed action area, in terms of income and poverty, are mixed when compared to the wider primary study area. According to the 2000 Census, the median household income for the proposed action area is $14,081, lower than the medians for the primary study area and for the Bronx. The proposed action area and primary study areas experienced a substantial increase in median household incomes between 1989 and 1999 (37.26 percent and 9.86 percent, respectively), while median household incomes in the primary study area, the Bronx and New York City decreased between 1989 and 1999.

Average household income data tell a similar story. In 1999, the average household income in the proposed action area was approximately $19,973, lower than the average for the primary study area ($28,024) and still lower than the averages for the Bronx and New York City ($38,962 and $88,158, respectively) in 1999. However, the proportional increase in average income between 1989 and 1999 was markedly higher in the proposed action area than it was in Brooklyn (an 18.04 percent increase in the proposed action area, compared to a decrease of less than one percent in The Bronx) and almost equal to the city-wide increase (14 percent), indicating an influx of higher income households.

For the proposed action area as a whole, the poverty rate was approximately 37 percent, which is lower than the primary study area (41 percent), but higher than the Bronx (31 percent) and New York City (21 percent). The primary study area is characterized by a large number of public housing projects, which is reflected in the higher poverty rates.

Proposed Action Area: Economic Status

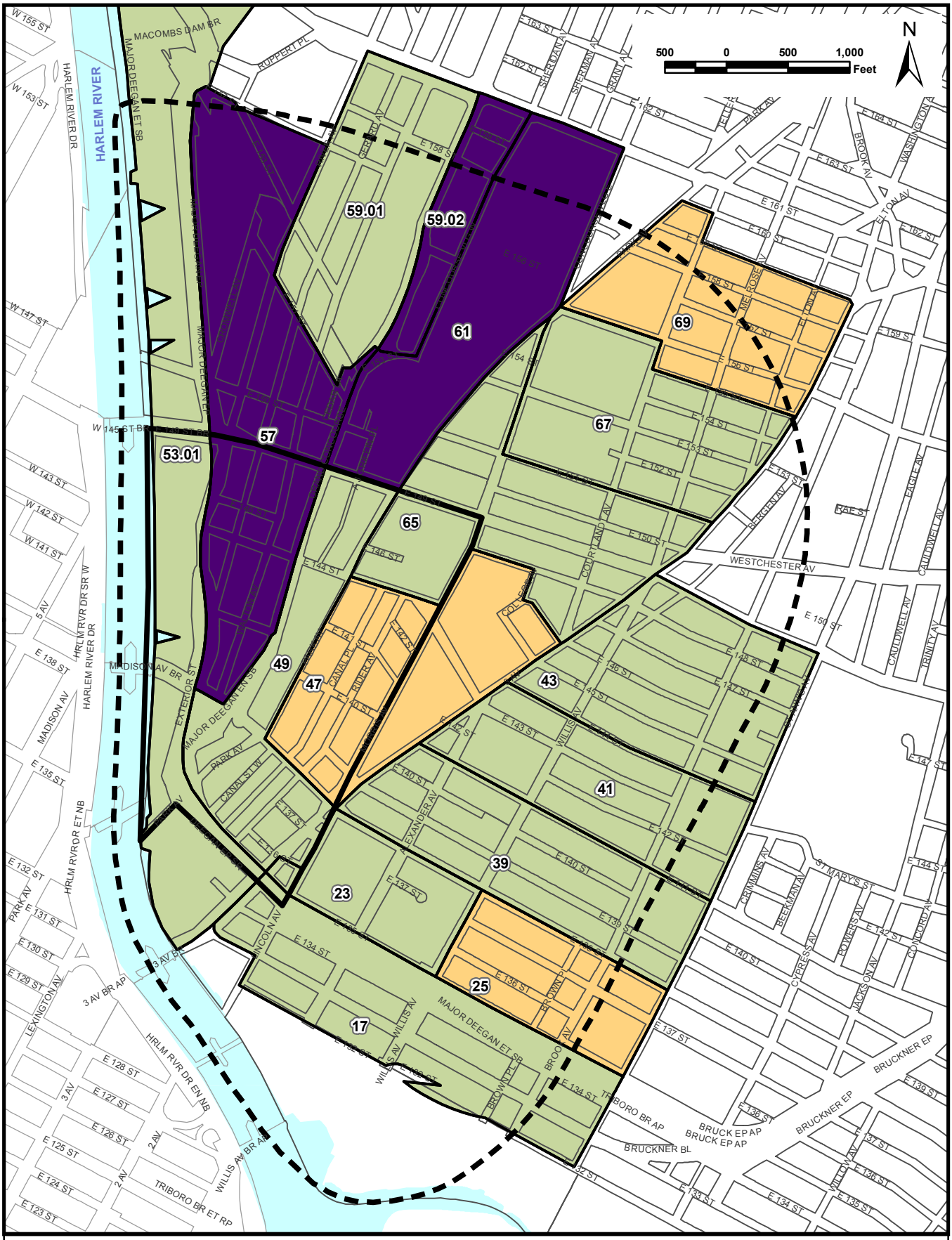
It is difficult to compare income and poverty by Census Block Group within the proposed action area to Census Tracts in the larger primary study area, given the small size of the residential population currently within the proposed action area. The proposed action area is dominated by industrial activity and is not currently zoned for residential use. As such, it contains only 97 households and 255 residents, and economic status of such a small population is difficult to measure.

Primary Study Area: Economic Status

The primary study area contains the population within the proposed action area, and residents living within ½-mile of the proposed action boundaries. Poverty rates are generally higher in the eastern part of the primary study area than they are to the area directly north of the proposed rezoning.

According to Census 2000 data, the tracts located in the southern part of the primary study area – 25, 47 and 69 – have some of the lowest median and average household incomes. While Tract 47 lies partially within the proposed action area, the vast majority of its housing is public housing outside of the action area. This tract has an average household income of $20,705 and a median household income of $11,817, and a total population of 5,311. Nearly 58 percent of the population lives below the poverty line. Across these three tracts, median incomes range from $10,576 to $12,221, and average household incomes range from $19,195 to $23,079.

As shown in Figure 3.2-3, the area to the north of the primary study area has notably higher incomes than the tracts in the southern portion of the primary study area. Tracts 57, 59.02 and 61 have incomes comparable to the Bronx as a whole, ranging from a median of $30,469 to $33,256 and an average of $32,820 to $35,322.



Legend

- Proposed Rezoning Area
- 1/2-Mile Radius around Proposed Rezoning Area
- (17) 2000 Census Tract

Median Household Income

- Less Than $12,221
- $12,221 to $30,469
- Greater Than $30,469

Source: NYC Department of City Planning 2008; U.S. Census 2000

Figure 3.2-3: Median Household Income by Census Tract 2000

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NYC Department of City Planning

Unprotected Units

As stated above, the population vulnerable to secondary displacement pressure is those with low-and moderate-income living in buildings not protected by rent control, rent stabilization or other publicly-assisted housing programs.

Table 3.2-16 shows that 1,609 units in the primary study area are located in buildings defined as unprotected—buildings with five or fewer units. Census 2000 data on buildings with one to four units, and Department of Finance RPAD data on the number of buildings with five units in the primary study area were used to determine the quantity of unprotected buildings within the primary study area. Buildings with more than five units built after 1974 are not included in this analysis because information on age of building by income and building size is not available in the Census.

Table 3.2-16:
Unprotected Housing Units

	Units in 1-4 Unit Buildings (Unprotected Units)	Units in 5 Unit Buildings (Unprotected Units)	Total Unprotected Units	Total Renter-Occupied Units	Unprotected Units as % of All Renter Units
Proposed Action Area	7	0	7	97	7.22%
Primary Study Area	1,554	55	1,609	19,134	8.41%
Sources: Census 2000 and Department of City Planning PLUTO data.					

Proposed Action Area and Primary Study Area: Unprotected Units

As shown in Table 3.2-16, only 7.22 percent of all renter-occupied units in the proposed action area (seven units) are not likely to be protected by rent regulations. These units house approximately 17 people, or seven percent of the proposed action area population. The number of unprotected units is higher in the primary study area than it is in the proposed action area (1,609, or eight percent of all renter-occupied units). These units house approximately 4,521 people, or seven percent of the primary study area population[9].

Table 3.2-17 and Figure 3.2-4 show the distribution of unprotected units across the proposed action area Census tracts. As shown in the table, tracts 41 and 39 have the highest number of unprotected units in the proposed action area (259 and 254 units, respectively). These units represent approximately three percent of all renter-occupied units in the proposed action area, and 32 percent of all unprotected renter-occupied units in the proposed action area. There is only one Census tract (Tract 17) in which unprotected units represent 50 percent or more of total rental units, and as shown in the table, this tract includes a total of only 139 renter-occupied housing units (59 percent).

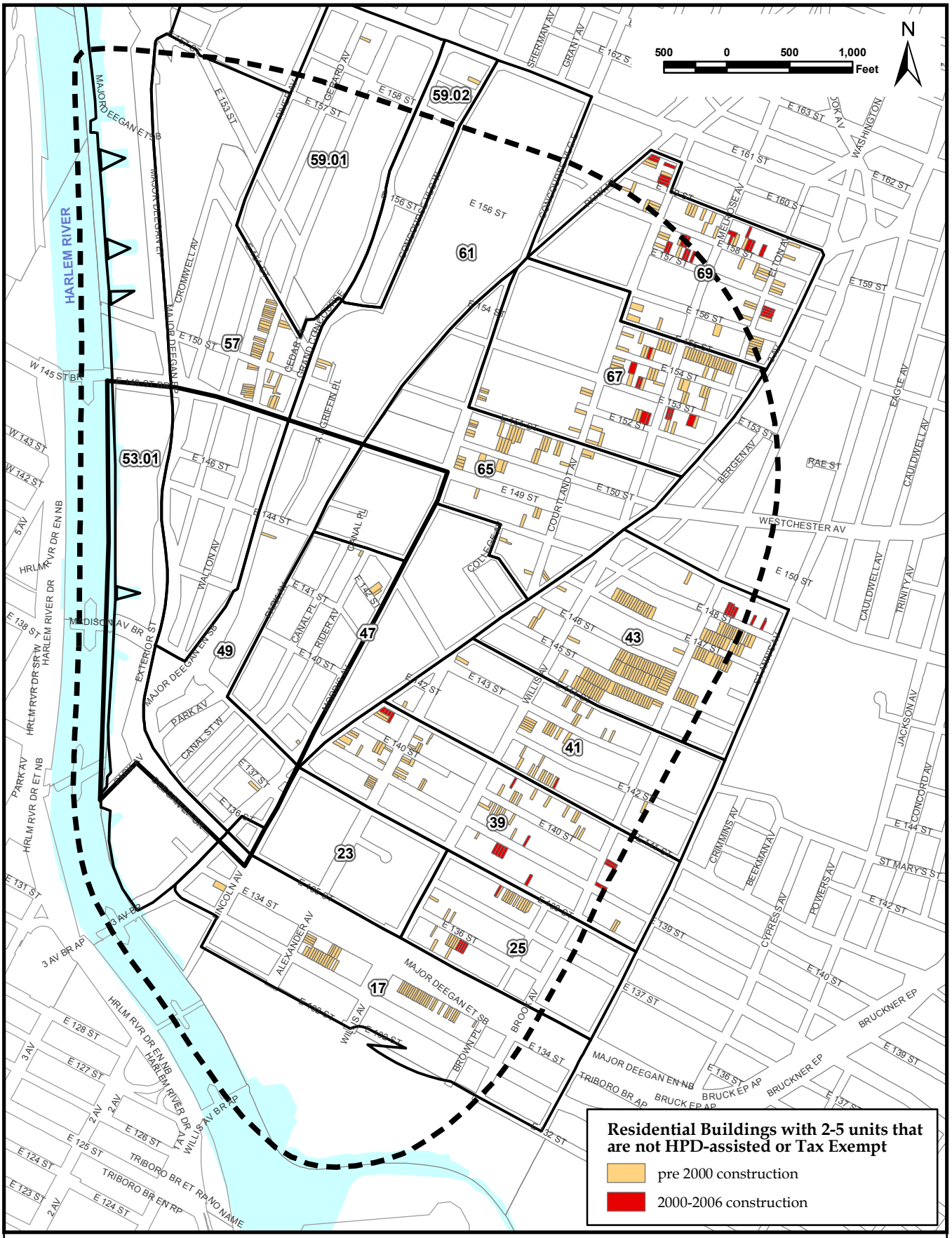
[9] These values represent Census 2000 population figures. New housing permits from 2000-2008 do not contain information on renter- versus owner-occupancy.

Census tracts in which unprotected units represent over 35 percent of all renter-occupied units include only tract 17 and 57. The remaining 15 tracts in the primary study area have an average of seven percent of their renter-occupied units in buildings with one to five units. Only eight percent of all occupied housing in the primary study area is unprotected, and even less (seven percent) in the proposed action area is unprotected.

Table 3.2-17:
Unprotected Housing Units by Census Block Group and Census Tract

Tract	Total Renter-Occupied Units	Renter-Occupied Units in 5+ Unit Buildings*	Units in 5 Unit Buildings[1] (Unprotected Units)	Renter-Occupied Units in 1-4 Unit Buildings	Total Unprotected Housing Units	Total Occupied Housing Units	Unprotected Units as % of Total Renter Units	% Unprotected Units of Total Occupied Housing Units
Proposed Action Area								
Block Group 2, Tract 47	15	15	0	0	0	15	0.00%	0.00%
Block Group 1, Tract 49	82	75	0	7	7	86	8.54%	8.14%
Block Group 9, Tract 53.01	0	0	0	0	0	0	0.00%	0.00%
Block Group 2, Tract 57	0	0	0	0	0	0	0.00%	0.00%
Block Group 3, Tract 65	0	0	0	0	0	0	0.00%	0.00%
Total Proposed Action Area	**97**	**90**	**0**	**7**	7	**101**	**7.22%**	**6.93%**
Primary Study Area								
Tract 17	236	97	0	139	139	271	58.90%	51.29%
Tract 23	1,646	1602	0	44	44	1,656	2.67%	2.66%
Tract 25	1,675	1570	5	105	110	1,725	6.27%	6.38%
Tract 39	1,961	1707	0	254	254	2,092	12.95%	12.14%
Tract 41	1,725	1466	0	259	259	1,797	15.01%	14.41%
Tract 43	1,273	1116	0	157	157	1,463	12.33%	10.73%
Tract 47	1,748	1705	0	43	43	1,771	2.46%	2.43%
Tract 49	82	75	0	7	7	86	8.54%	8.14%
Tract 53.01	0	0	0	0	0	0	n/a	n/a
Tract 57	162	83	0	79	79	201	48.77%	39.30%
Tract 59.01	1,613	1601	0	12	12	1,714	0.74%	0.70%
Tract 59.02	877	861	0	16	16	1,069	1.82%	1.50%
Tract 61	1,138	1125	5	13	18	2,074	1.14%	0.87%
Tract 65	1,645	1511	5	134	139	1,674	8.15%	8.30%
Tract 67	2,031	1835	35	196	231	2,119	9.65%	10.90%
Tract 69	1,322	1226	5	96	101	1,377	7.26%	7.33%
Total Primary Study Area	**19,134**	**17580**	**55**	**1,554**	**1609**	**21,089**	**8.41%**	**7.63%**

Source: Census 2000 Summary File 3 (SF 3) - Sample Data
[1] Units in 5 Unit buildings were gathered from the Dept of Finance's RPAD data



Legend

- Proposed Rezoning Area
- 1/2-Mile Radius around Proposed Rezoning Area
- 17 2000 Census Tract

Source: NYC Department of City Planning 2008

Figure 3.2-4: Non-Assisted Residential Buildings of 2-5 units

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Identifying Population at Risk

In order to determine whether a population at risk exists in the study area, the *CEQR Technical Manual* recommends analyzing "Census data on income and renters in structures containing fewer than six units" combined with data on other factors, including the presence of subsidized housing and land use.

The following steps were used to identify population at risk:

1. Census 2000 tract-level data were used to determine the average household income of renters in small (1-4 units) buildings. As described above, these buildings are not generally subject to rent regulation laws.[10]
2. For each Census tract, the average household income for renters in small buildings was compared to the average household income for renters in large buildings to determine where income disparities exist between renters in small and large buildings. This information was used to gain a better understanding of the income distribution across housing types and Census tracts. Average incomes were used in place of median incomes for this analysis because Census data on median household income by size of building is not publicly available.
3. For each Census tract, the average household income for renters in small buildings was compared to the average household income for all renters in the Bronx. If the average for small buildings was lower than the borough-wide average for all renters, the Census tract was identified as having a potentially vulnerable population.
4. Census tracts identified as having a potentially vulnerable population were examined in greater detail to determine whether the discrepancy in average incomes between renter-occupied small buildings in the tract and all renter-occupied buildings in the Bronx is indicative of a truly vulnerable population. In some cases, for example, the income discrepancy is likely to have decreased since the 2000 Census (due to new construction and apartment turnover), and in others, the geographic location of the Census tract makes it less vulnerable to indirect displacement pressures. Any tracts that were not screened out through this more detailed examination of current conditions were assumed to contain some vulnerable population.

In general, if average incomes in unprotected (small) buildings are low compared to average incomes in protected (large) buildings and in renter-occupied buildings in The Bronx as a whole, then the primary study area might contain a significant population at risk. In the Lower Concourse area, the prevalence of large public housing buildings

[10] Census data on renter income is collected for pre-defined categories of buildings. These categories include buildings with 1-4 units and buildings with 5-9 units, making it impossible to develop an accurate average income for renters in buildings with 1-5 units. The average income for unprotected units is therefore based on the incomes for only those renters living in 1-4 unit buildings. Incomes for these 5-unit buildings are likely to be similar to incomes in buildings with 1-4 units, and because they represent a small proportion of the unprotected units, they would not substantially affect the average income. RPAD data indicate that there are no buildings within the proposed action area that have exactly 5 units, and only 10 buildings in the primary study area with exactly 5 units.

results in a lower average income for households in large buildings than households in small buildings.

The Census data are generally consistent with the prediction that incomes for renters in small, unregulated buildings would be higher than the incomes for renters in regulated buildings. As shown in Table 3.2-18, this is true for all but seven Census tracts in the primary study area. Census tracts in which the average household income for renter-occupied units in small buildings is lower than the average household income for all renter-occupied units in the Bronx are shown in italics. As described above, this is the criteria used for identifying tracts that could contain a vulnerable population.

Proposed Action Area: Population at Risk

As shown in Table 3.2-18, residents living in small (unprotected) buildings generally have lower incomes than those living in protected units, though they all have average household incomes below Bronx averages. There are only four Census tracts in the primary study area where the average income for renters in unprotected units is higher than the average income for Bronx renters, and none of them fall within the proposed action area. Income data by renter status and housing units is not available at the Census Block Group level, and residential units falling within the proposed action area are found only in Tracts 47 and 49. Block Group data shows that zero units in tract 47 within the proposed action area contain units in small buildings, so we assume no population at risk in this portion of Tract 47. In Tract 49, only seven out of 82 renter-occupied units are in small buildings. Among these units, average household income is only $6,000. However, it should be noted that given the very low quantity of measurable units based on a sample, this number is not statistically significant.

Primary Study Area: Population at Risk

As shown in Table 3.2-18, residents living in small (unprotected) buildings are generally more affluent than those living in protected units; though they all have average household incomes below Bronx averages. There are only two Census tracts in the primary study area where the average income for renters in unprotected units is higher than the average income for Bronx renters, leaving 15 tracts where the average income is lower. The proposed action area encompasses all of Tract 49 and portions of Tracts 47, 53.01, 57 and 65, and a corner of Tract 23 in the southeastern corner of the rezoning boundary.

A closer examination of recent housing trends and population characteristics in these fifteen tracts reveals that several are not likely to contain a vulnerable population despite the income discrepancies noted above. In others, however, the population living in unprotected units could be vulnerable to indirect displacement pressures under the proposed action. Characteristics of these Census tracts are presented below, and the reasons why they do or do not contain a truly vulnerable population are discussed.

Table 3.2-18:
Average Household Income for Renters in Small Buildings, Buildings with 5 or More Units, and All Renter-Occupied Buildings in the Bronx, 2000

AREA	Total Number of Rental Units	Average Household Income All Renter-Occupied Units	Average Household Income in Small Buildings*	Average Household Income in Large Buildings	Difference Between Small and Large Buildings	Difference Between Study Area Small Building Renter Average Income and Bronx Renter Average Income
Primary Study Area						
Tract 17	236	$22,969	$28,927	$14,432	$14,495	($3,672)
Tract 23	1,646	$24,014	$18,520	$24,165	($5,645)	($14,078)
Tract 25	1,675	$23,079	$15,130	$23,611	($8,482)	($17,469)
Tract 39	1,961	$26,621	$34,617	$25,432	$9,185	$2,018
Tract 41	1,725	$24,783	$32,101	$23,491	$8,610	($498)
Tract 43	1,273	$25,428	$25,445	$25,425	$19	($7,154)
Tract 47	1,748	$20,848	$14,107	$21,018	($6,911)	($18,491)
Tract 49	82	$25,432	$6,000	$27,245	($21,245)	($26,598)
Tract 53.01	0	n/a	n/a	n/a	n/a	n/a
Tract 57	162	$34,680	$38,735	$30,820	$7,915	$6,137
Tract 59.01	1,613	$30,538	$10,767	$30,686	($19,920)	($21,832)
Tract 59.02	877	$32,820	$27,306	$32,922	($5,616)	($5,292)
Tract 61	1,138	$35,322	$15,877	$35,547	($19,670)	($16,721)
Tract 65	1,645	$27,228	$55,699	$24,703	$30,996	$23,100
Tract 67	2,031	$28,580	$48,439	$26,459	$21,980	$15,840
Tract 69	1,322	$19,195	$22,182	$18,961	$3,222	($10,416)
Primary Study Area Averages	1196	$26,211	$32,879	$25,622	$7,257	$281
BRONX	372,525	$32,598	$39,071	$31,345	$7,726	

Notes:

* The average household income for small renter-occupied buildings is based on renter-occupied units in buildings with 1 to 4 units.

** This number represents the difference between the average household income for renters in small buildings and the average household income for all Bronx renters.

Source: U.S. Bureau of the Census, 2000 Census, Summary File 3.

Tracts Not Likely to Contain Vulnerable Populations

Tract 57, 65 and 67

Tract 57 and 65 consists primarily of public institutions and commercial and office buildings; Tract 67 is primarily residential, and contains one of the highest concentrations of small residential buildings, with 40 percent of all lots in the tract occupied by two- and three- family homes. Among the population living in unprotected housing in Tracts 65 and 67, average incomes are higher than the Bronx average – at $55,699 and $48,439, respectively. Households in unprotected units in Tract 57 have average incomes of $38,735, which is just marginally below the Bronx average for similar households ($39,071). Further, as Table 3.2-17 shows, the percentage of residents living in unprotected units in Tracts 65 and 67 is near average for the primary study area as a whole. Nearly 40 percent of residents in Tract 57 are in unprotected units; however, there are only 75 of these units and they have relatively high average household incomes. Additionally, as Table 3.2-19 illustrates, Tract 57 has a very low poverty rate relative to the primary study area. These factors indicate a more stable, and less vulnerable, population who could sustain rent increases.

Tracts 23, 47, 59.01, 59.02, 61

Comparing the incomes of residents in unprotected units in Tracts 23, 47, 59.01, 59.02, 61 with incomes of renters in the Bronx as a whole, the populations in these tracts appear vulnerable. However, looking at the number of renters in unprotected units in these tracts, the concern is considerably lessened. In tracts 23, 47, and 59.01, the percentage of residents who rent their homes is high (99.4, 98.7, and 94.1 percent, respectively). Tracts 59.02 and 61 also have a very high percentage of renters (82.04 and 54.07 percent). In each of these cases, the proportion of renters living in unprotected units versus protected units low, under three percent in all cases, and under one percent in Tracts 59.01 and 61. These numbers illustrate, that, while average household incomes in these Tracts indicate a vulnerable population, the majority of renters in these Tracts actually live in protected units. While there is a likelihood that renters of these unprotected units would be vulnerable to indirect displacement under the proposed action plan, unprotected units constitute a small percentage of all units in these Census Tracts – only 128 of 7,022 rental units, or 1.8 percent.

Tracts Potentially Containing Vulnerable Populations

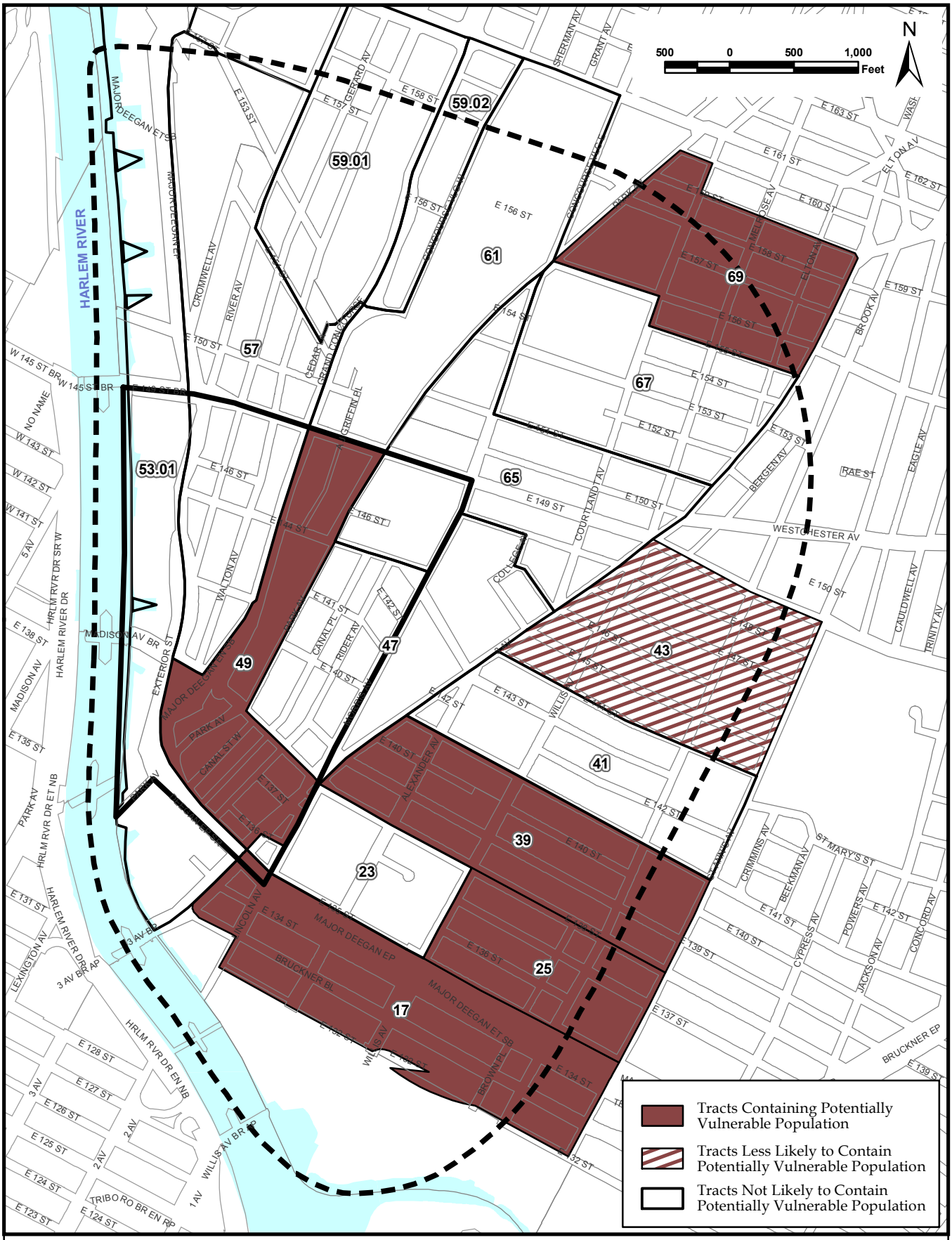
Tract 17, 25, 39, 41, 43, 49, 69

Seven tracts within the primary study area are considered to potentially contain vulnerable populations, shown in Figure 3.2-5.

Tracts 41 and 49 experienced significant population loss between 1990 and 2000, indicating a trend towards depopulation that is occurring independent of the proposed action. Despite additional characteristics of renters in these tracts that indicate

vulnerability, tracts 41 and 49 may only be considered moderately vulnerable as a result of the proposed action.

As described above, in 1999 the average household income for renters in unprotected buildings in the primary study area ($32,879) was approximately $6,192 lower than the average for all renters living in unprotected unit's borough-wide ($39,071). Still, in the case of each tract except for Tract 17, a low proportion of rental units in the tract (51 percent in Tract 17, an average of ten percent in Tracts 25, 39, 41, 43, 49. 69) are unprotected. Overall, however, the tract's population and housing characteristics do not seem to differ significantly from the characteristics of the primary study area as a whole. As Table 3.2-19 shows, the total poverty rate for Tracts 17, 25, 39, 41, 43, 49, 69 is 46.45 percent, higher than the poverty rate for the primary study area as a whole (41.37 percent). Three Tracts, 25, 41 and 69, have especially high poverty rates, at 49 percent, 51 percent, and 62 percent, respectively; however, these tracts are characterized by large public housing buildings which tend to have a higher proportion of residents in poverty, but also consist entirely of protected units.



Legend

Proposed Rezoning Area

1/2-Mile Radius around Proposed Rezoning Area

Source: NYC Department of City Planning 2008

Figure 3.2-5: Census Tracts Containing Households Vulnerable to Indirect Displacement

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Table 3.2-19:
Residents with Income in 1999 Below Poverty Level Living

Census Tracts	Total:	Residents with income in 1999 below poverty level	% Residents with income in 1999 below poverty level
Census Tract 53.01	0	0	0.00%
Census Tract 61	3,960	628	15.86%
Census Tract 57	442	87	19.68%
Census Tract 59.02	2,677	682	25.48%
Census Tract 49	203	57	28.08%
Census Tract 43	4,693	1,451	30.92%
Census Tract 59.01	4,924	1,810	36.76%
Census Tract 65	4,705	1,757	37.34%
Census Tract 67	6,453	2,466	38.21%
Census Tract 23	4,305	1,721	39.98%
Census Tract 39	5,996	2,535	42.28%
Census Tract 17	783	341	43.55%
Census Tract 25	5,071	2,485	49.00%
Census Tract 41	5,212	2,643	50.71%
Census Tract 47	5,271	3,056	57.98%
Census Tract 69	4,337	2,701	62.28%
Total Vulnerable Tracts (17, 25, 39, 41, 43, 49, 69)	**26,295**	**12,213**	**46.45%**
Primary Study Area Total	**59,032**	**24420**	**41.37%**

The average household size is generally higher than the average household size for the proposed action area (2.81 persons per household), except for in Tract 49, with an average household size of 2.65. Vacancy rates are high among these tracts, with the exception of Tract 41. Despite losing 15 percent of its population between 1990 and 2000, the vacancy rate in Tract 41 is only seven percent, equal to the primary study area average. Among Tracts 17, 25, 39, 43 and 69, vacancy rates range between 8.8 percent and 17.3 percent. Only Tract 43 has a considerable amount of housing. Tract 49, lying entirely in the rezoning area, has only seven unprotected renter units, therefore reinforcing its position as only moderately vulnerable, mentioned above.

Tracts 17, 25, 39, 41, 43, and 69 all experienced some new housing development since the 2000 Census. In total, 292 additional residential units were added to these tracts on 58 lots, and nearly all (127 units on 54 lots) were in buildings with five or fewer units. It is likely that these buildings have attracted new residents with socioeconomic characteristics similar to those that would be introduced under the proposed action, and

similar to the characteristics of the residents who have recently moved to other portions of the proposed action area. Housing built since 2000 appears to be geared towards working families, in two- or three-unit buildings that include parking. Field surveys reveal facades and front yards that are well maintained and populated, indicating a stable middle class presence. Much of the single and two-family unit buildings built since 1990 have similar characteristics, increasing the likelihood that tracts with particularly high poverty rates are skewed as a result of several large public housing projects.

Tract 41, for example, had a poverty rate in 2000 of over 50 percent; however, 11 public housing buildings containing a total of 1505 residential units are found within the Census tract, according to PLUTO data. This compares to a total of 1,725 renter-occupied units reported by the US Census in 2000. Indeed, median household incomes for residents living in small renter-occupied buildings in Tract 41 have incomes that approach the Bronx average (see Table 3.2-20). Again, field surveys reveal a housing stock of good-quality family units, similar to the type of housing expected to follow in the primary study area under the With-Action plan. For these reasons, Tract 41 has been removed as one potentially containing a vulnerable population.

Tract 43 demonstrates similar conditions. Significant amounts of new housing have been built since 1990, including 150 two- to five-unit buildings totaling 306 residential units. The units appear to be geared again towards working families, and include a parking space and modest front yard. Housing stock is high quality regardless of proximity to several substantial public housing projects. Many of the homes here were likely built under the Housing Partnership program, prior to 1994. They continue to be occupied and well-maintained, and are found in highest quantity along East 145th Street. Much like Tract 41, Tract 43 contains several large Housing Authority buildings, with 630 units combined among one particular complex (the Betances projects). These units, too, likely lower the tract's median household income. Because median household incomes for small renter-occupied buildings are also well below the Bronx median, Tract 43 will remain one with a potentially vulnerable population; however, field surveys indicate a stable, successful population of families in two- or three-family homes. Data on tenure status for the 166 two- to five-unit buildings is unavailable so it is unclear whether these homes are occupied by owners or renters. Field survey observations, including related to car ownership and housing upkeep, indicate a population less vulnerable to rising property values.

Because there is no indication that significant amounts of new housing will be created in the tracts containing vulnerable populations over the next several years, it is assumed that the character of these tracts would remain largely the same through the proposed action analysis year. This assumption, in combination with the fact that the average income for households living in unprotected units is lower than the average income for Bronx renters overall, leads to the conclusion that residents in unprotected units should be considered potentially vulnerable to indirect displacement pressures. In total, these Tracts contain 577 unprotected housing units – small renter-occupied buildings with 1-5

units, as introduced in Table 3.2-17 and shown again in Table 3.2-20, with a vulnerable population of approximately 1,766 after Tract 41 is excluded[11].

[11] Average household size for Census Tracts 17, 25, 39, 43, 49 and 69 combined was 3.06 in 2000. This figure is factored in to the approximate population in unprotected housing for these tracts.

Table 3.2-20:
Renter-Occupied Units in 1-5 Unit Buildings in Census Tracts Containing Potentially Vulnerable Populations

	Total Renter-Occupied Units	Renter-Occupied Units in 5+ Unit Buildings	Renter-Occupied Units in 1-4 Unit Buildings	Units in 5 Unit Buildings	Total Potentially Unprotected Units in Census Tracts (All Renter-Occupied Buildings with 1-5 Units)	HPD Publicly Assisted Housing Built 1994-1999 1-5 units	Modified Unprotected Housing (Census Figures minus HPD Housing)	Total Occupied Housing Units	Unprotected Units as % of Total Renter Units	% Unprotected Units of Total Occupied Housing Units
Tract 17	236	97	139	0	139		139	271	58.90%	51.29%
Tract 25	1,675	1570	105	5	110		110	1,725	6.57%	6.09%
Tract 39	1,961	1707	254	0	254	85	169	2,092	12.95%	12.14%
Tract 43	1,273	1116	157	0	157	52	105	1,463	12.33%	10.73%
Tract 49	82	75	7	0	7		7	86	8.54%	8.14%
Tract 69	1,322	1226	96	5	101	54	47	1,377	7.64%	6.97%
Total for Census Tracts Containing Potentially Vulnerable Population	6,549	5791	758	10	768	191	577	7014	8.81%	8.23%
Source: Census 2000 Summary File 3 (SF 3) - Sample Data; Department of Finance RPAD, HPD										

Conclusion: Population at Risk

The analysis above suggests that most of the low-income population in the primary study area live in units with various types of rent protections, and that many of the units that are vulnerable to market forces are already turning over to a more affluent population. However, some portions of the primary study area do contain unprotected units with residents who would be vulnerable to indirect displacement pressures under the proposed action. In the proposed action area, there are an estimated 1,766 people classified as "vulnerable." The largest concentration of vulnerable residents likely live in 169 unprotected units in Census Tract 39, at the far eastern portion of the proposed action area. Tract 49 is the only tract within the proposed action area with a population at risk of displacement under the proposed action, with 7 units housing approximately 20 people total.

The distance between Tracts 25, 39, 43 and 69 and the proposed action area (particularly the waterfront, where much of the proposed development would occur) make it unlikely that these areas within a half-mile of the proposed action area would attract major new development that is out of character with existing market conditions. Proximity to very large publicly-assisted housing, shown in Figure 3.2-6, further decreases the likelihood of residential development that would lead to the indirect displacement of existing residents.

The detailed analysis results in an estimated population at risk of approximately 1,766 residents living in about 577 unprotected housing units in Census Tracts 17, 25, 39, 43, 49, and 69. The prevalence of high-quality small residential buildings in Tract 43 lends itself to an assumption of fewer vulnerable residents here; however, it is included in the estimate of population at risk for the purpose of a conservative analysis. The size and general location of a population potentially vulnerable to indirect residential displacement is a best estimate based on currently available data.

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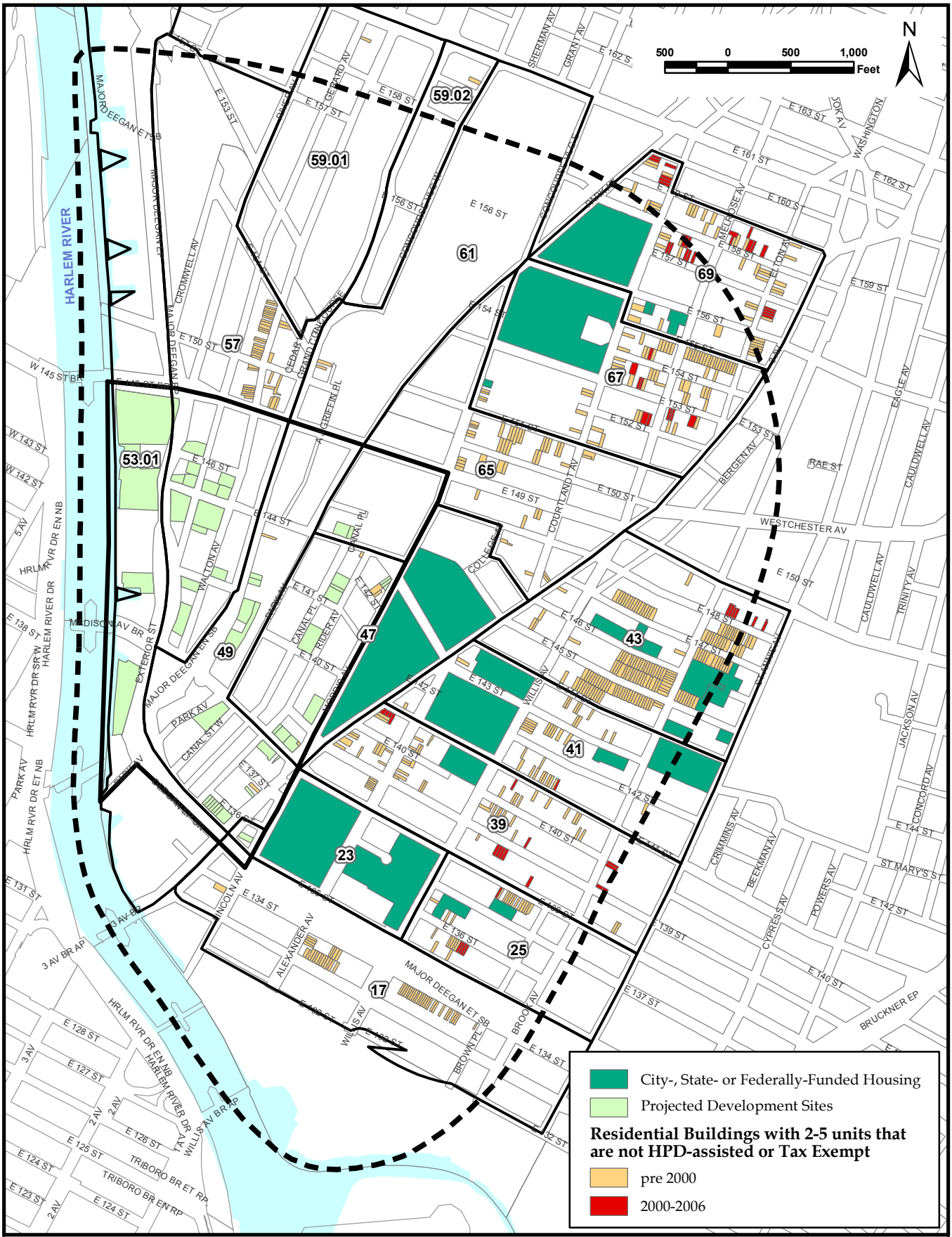

Legend

- Proposed Rezoning Area
- 1/2-Mile Radius around Proposed Rezoning Area
- (17) 2000 Census Tract

Source: NYC Department of City Planning 2008

Figure 3.2-6: Residential Buildings with 2-5 units; Proximity to Public Housing and Projected Development Sites

Lower Concourse Rezoning and Related Actions EIS

NYC Department of City Planning

FUTURE WITHOUT THE PROPOSED ACTION

This section describes the housing and population conditions that are expected in the future without the proposed action, presenting development and population changes that are projected to occur in the primary study area through 2018. The analysis for the primary study areas is based on projects known to be planned for the area. The analysis for the proposed action area is based on projections for development that would likely occur on the 31 projected development sites.

As described in Chapter 2.0, "Project Description," the primary study area is expected to gain approximately 2,577 housing units between 2008 and 2018 without the proposed action. This estimate is based on the number of building permits filed with the NYC Department of Buildings between 2000 and 2008 in the primary study area. The growth rate from 2000 to 2008 was assumed to remain consistent to 2018, and additional housing units were factored into the No-Action scenario based on known development projects slated to occur independent of the proposed action. Almost none of the projected growth would be anticipated to occur in the proposed action area. Of the 2,577 units, 479 will be constructed by the New York City Housing Development Corporation in four distinct projects that are either under construction currently, or will be closing on their construction loans by the end of 2008. None of the development under the No-Action scenario is expected to occur on any proposed development sites.

Assuming that these new units would have an average household size of 2.81 persons per household and that vacancy rates would remain at their 2000 levels (see "Population and Housing" under Existing Conditions," above), the 2,577 new units will house approximately 6,714 residents, bringing the total population in the primary study area to 71,671 in 2018. Table 3.2-21 shows population and housing growth under the No-Action scenario.

FUTURE WITH THE PROPOSED ACTION

Introduction

The analysis of the proposed action's effects on population and housing conditions in the proposed action and study areas begins with, and builds upon, the 2018 No-Action trends described above. This section analyzes the mix of uses planned under the proposed action by 2018 and evaluates the potential for indirect residential displacement associated with those changes.

Table 3.2-21:
Population and Housing Growth Under No-Action Scenario, 2008-2018

	Housing Units				Population			
	2008 Housing Units	**2008-2018 Growth**	**Total Housing Units 2018**	**Percent Growth**	**2008 Population**	**2008-2018 Growth[(1)]**	**Total Population 2018**	**Percent Growth**
Proposed Action Area	114	0	114	0.00%	348	0	348	0.00%
Primary Study Area	23771	2389	26,348	10.05%	64,957	6,714	71,671	10.34%

Source: Census 1990 and 2000; Department of Buildings new building permits 2000-2008
Notes:
[1] Population growth for the primary study area was calculated by applying an average household size of 2.81 persons (the average for households in market-rate units in the primary study area) and for the proposed action area by applying an average household size of 2.42. Each area was also calculated by applying the average vacancy rate (7.29%) from the 2000 Census to the number of new housing units anticipated in the proposed action and primary study areas.

The proposed action would result in the addition of 3,414 housing units to the proposed action area, dramatically increasing the housing stock as it stands under existing conditions, and increasing the housing stock by approximately 3300 units over conditions in the No-Action Scenario. In total, new housing resulting from the proposed action would represent almost all housing units in the proposed action area in 2018.

Assuming that all new units would have an average household size of 2.42 persons per unit, the average household size in the proposed action area today, and that the vacancy rate would be zero, the 3,414 new dwelling units on projected development sites would generate approximately 8,262 new residents in the proposed action area by 2018. Thus, the total 2018 proposed action area population with the proposed action would be roughly 8,262, given no additional population growth independent of the proposed action, as per historical trends. Net new residents would represent approximately 96 percent of the proposed action area population in 2018, and approximately 14 percent of the primary study area population. Table 3.2-22 shows the housing and population growth expected under the With-Action scenario.

TABLE 3.2-22:
Population and Housing Growth Under With-Action Scenario, 2008-2018

	Housing Units				Population			
	2008 Housing Units	**2008-2008 Growth**	**Total Housing Units 2018**	**Percent Growth**	**2008 Population**	**2008-2018 Growth(1)**	**Total Population 2018**	**% Growth**
Proposed Action Area	114	3,416	3,530	2994%	348	8,267	8,615	2375%
Primary Study Area	23771	3,896	29,282	23%	64,957	15487	80,444	24%

Notes:
1 Population growth for the primary study area was calculated by applying an average household size of 2.81 persons (the average for households in market-rate units in the study area) and for the project area by applying an average household size of 2.42. Figures for the With-Action scenario assume 100% occupancy, so as to maximize the effects of the "reasonable worst-case".

Indirect Residential Displacement Analysis

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

> If the proposed action may introduce a trend or accelerate a trend of changing socioeconomic conditions and if the study area contains population at risk, then it can be concluded that the action would have an indirect displacement impact. Understanding the action's potential to introduce or accelerate a socioeconomic trend is a function of the size of the development resulting from the action compared to the study area and the type of action (does it introduce a new use or activity that can change socioeconomic conditions in the study area). . . Generally, if the proposed action would increase the population in the study area by less than 5 percent, it would not be large enough to alter socioeconomic trends significantly.

The increase in population in the primary study area of more than five percent resulting from the proposed action is considered under the *CEQR Technical Manual* to be large enough to affect socioeconomic trends significantly. As indicated earlier, the proposed action would increase the proposed action area population from 348 to 8,262 residents in the future with the action condition over the future without the action condition. This represents a potential population increase of 14 percent over the No-Action condition in the combined proposed action and primary study areas, where the population is already fairly high due to several large public housing buildings.

Given the potential for the proposed action to introduce a trend or accelerate a trend of changing socioeconomic conditions and the presence of a population at risk within the

primary study area, there could be potential for significant indirect displacement. A detailed analysis of the potential for indirect residential displacement impacts estimated a population of 1,766 vulnerable persons in the proposed action area and primary study area. Although the *CEQR Technical Manual* does not suggest thresholds for determining the significance of indirect residential displacement impacts, it does say that an impact could generally be considered significant and adverse if "households or individuals would be displaced by legal means…they would not be likely to receive relocation assistance, and, given the trend created or accelerated by the proposed action, they would not be likely to find comparable replacement housing in their neighborhood." The total population estimated to be vulnerable to direct and indirect displacement under the With-Action scenario represents less than three percent of the primary study area's population.[12] This vulnerable population, estimated to be around 1,766 individuals or 577 households, is dispersed throughout the primary study area.

HPD has been very active in the primary study area and wider surrounding area in constructing affordable and market-rate housing targeted for low- and moderate-income residents. Between 1995 and 2007, 816 new housing units were built by HPD within the primary study area, indicating an ongoing commitment to providing housing for existing residents.

Therefore, it has been determined that the proposed action would not result in a significant adverse indirect residential displacement impact.

There are a number of reasons why the potential for significant indirect residential displacement under the proposed action is not expected to occur:

- A majority of the development projected under the proposed action would occur along the waterfront, at a distance from the populations at risk. Over half of the projected residential units proposed for development would occur on waterfront sites, which are generally situated more than half a mile from the Census tracts identified as containing a population at risk. New waterfront development may shift the focus of the residential neighborhood, and residential demand associated with it, to the west, away from the identified populations at risk. New upland development would, in contrast, be smaller in scale and a clear continuation of an existing development trend.

- **The proposed action could create two distinct markets for housing.** Although the action would introduce a more expensive type of housing into the area, at least 17 percent of the projected dwelling units are categorized as affordable housing, built in recognition of the area's socioeconomics and utilizing the Inclusionary Housing Bonus. Market-rate housing will be targeted along the waterfront, forming a distinct market that is less likely to cause indirect displacement pressure on unregulated units in existing housing in upland areas.

[12] All values here are according to the US Census 2000, which is the latest year that vulnerable population determinations can be made based on renter-occupied units in buildings with 1-4 units.

- **In some areas, turnover of unregulated units is already high.** According to Census 2000 data, two of the six tracts identified as having a vulnerable population already experience high turnover of unregulated units. In tract 17, nearly 37 percent of the renter-occupied households living in small (unprotected) units had moved to their current apartment within five years of the survey. In tract 39, just over ten percent had moved within five years. In comparison, only just under ten percent of all renters in small buildings in The Bronx had moved within five years of the survey. This suggests that residents living in unregulated units in these two Census tracts are about as transient as the average renter and may move voluntarily in the next decade regardless of the proposed action.

3.2.4 CONCLUSIONS

In sum, it is concluded that the proposed action would have the beneficial socioeconomic effect of expanding the housing supply to address strong local and citywide housing demand. The proposed action is not expected to result in significant adverse impacts for the five areas considered in the socioeconomic analysis: direct residential displacement, indirect residential displacement, direct business displacement, adverse effects on specific industries, and indirect business displacement. Conclusions related to each of the five areas of potential socioeconomic impact, as outlined in the *CEQR Technical Manual*, are summarized below.

Direct Residential Displacement: It is estimated that the proposed action would directly displace only five residents. Based on the guidelines in the *CEQR Technical Manual*, the direct displacement of these residents would not result in a significant adverse impact because they do not represent a significant proportion of the proposed action area population and they are not likely to have socioeconomic characteristics that differ markedly from the primary study area population as a whole.

Direct Business Displacement: It is estimated that approximately 15 firms and 126 employees might be directly displaced under the With-Action scenario, but not under the No-Action scenario. This is solely a projection based on an estimate of the amount of new development that could be reasonably expected to occur within a ten-year period under the rezoning; there is no certainty that any individual site would redevelop or that a particular business would be displaced. Under CEQR, displacement of a business or group of businesses is not, in and of itself, a significant adverse environmental impact. While all businesses contribute to neighborhood character and provide value to the city's economy, CEQR seeks to determine whether displacement of a single business or group of businesses would rise to a level of significance in terms of impact on the city's or the area's economy or the character of the affected neighborhood. Although the potentially displaced firms each contribute to the city's economy and therefore have economic value, the products and services they provide are widely available in the area and the city; the locational needs of these firms could be accommodated in the area and in other manufacturing districts, which are widely mapped throughout the borough and the city. Given the large quantity of underutilized industrial land and building space in the surrounding neighborhoods and the Bronx as a whole, there would be many opportunities for displaced businesses to relocate nearby.

The proposed actions could potentially displace an estimated 126 employees, representing half of one percent of jobs in the primary study area and 0.06 percent of jobs in the Bronx, according to 2008 estimates based on Census projections and the Bureau of Labor Statistics' Quarterly Census of Employment and Wages. The potentially displaced businesses are primarily involved in manufacturing and auto storage – products and services that will continue to be available in the surrounding area after redevelopment. Although each business adds to the commercial fabric of Lower Concourse, none of the businesses that could be displaced in the proposed action area individually define the character of the neighborhood.

Adverse Effects on Specific Industries: According to the guidelines of the *CEQR Technical Manual*, the proposed action would not have an adverse impact on a specific industry because it would not significantly impact the business conditions for any industry or category of businesses within or outside of the primary study area, nor would it indirectly reduce employment or impair the economic viability of a specific industrial sector or business category. As the data shows, businesses that are anticipated to be subject to direct displacement vary in type and size and are not limited to any industry (e.g., manufacturing) or industry subset (e.g., furniture manufacturing).

Indirect Residential Displacement: According to the guidelines of the *CEQR Technical Manual*, the proposed action would not result in significant adverse indirect residential displacement impacts. Under the With-Action scenario, the primary study area population is expected to increase by more than five percent. This new population would include residents with socioeconomic characteristics that are different from the characteristics of residents in parts of the primary study area than would be introduced under the No-Action scenario; however, an in-depth analysis reveals that the primary study area contains a population that is unlikely to be vulnerable to displacement pressures.

The *CEQR Technical Manual* suggests that a population increase of five percent or more could be large enough to trigger a socioeconomic change that would negatively affect a population at risk of displacement. Under the With-Action scenario, the rezoning would introduce 8,262 residents to the primary study area. This would represent a population increase of 14 percent in the primary study area over the 2008 population estimate of 64,957. This increase exceeds the five percent threshold laid out in the *CEQR Technical Manual*. However, high increases are expected in the proposed action area, which has almost no residential zoning, and in the primary study area, which is dominated by underutilized industrial property. Some new market rate residential development has already occurred within the primary study area since 2000, and population continues to grow in areas of the Bronx further from the proposed action area. An influx of residents with higher-incomes to other neighborhoods in the South Bronx indicates a continued demand for additional market rate housing in neighborhoods that have historically been non-residential. As a whole, the socioeconomic characteristics of the population living in the proposed action area has not changed much in recent years and is not likely to continue to change over the next several years under No-Action conditions. Current zoning has not encouraged new residential development, but borough-wide and

citywide trends indicate existing demand. As such, low-and moderate- income residents living in unprotected housing units in several census tracts within the proposed action and primary study area constitute a "population at risk" that is potentially subject to indirect displacement under the proposed action.

In total, it is estimated that approximately 1,766 residents in 577 households in Tracts 17, 25, 39, 43, 49 and 69 in the Lower Concourse primary study area could be subject to indirect displacement pressures under the proposed action. These people are living in approximately seven housing units located in the proposed action area, and 577 households in the primary study area. The largest concentration of vulnerable residents likely live in 513 unprotected units in Census Tracts 39 and 41, at the far eastern portion of the primary study area. The proposed action area contains just fewer than 20 people – a number estimated based on the average household size and the seven vulnerable units in the area - who may be at risk of displacement under the proposed action. These residents are concentrated in Census Tract 49. These are estimates of the general size and location of a vulnerable population based on currently available data.

Although the *CEQR Technical Manual* does not suggest thresholds for determining the significance of indirect residential displacement impacts, it does say that an impact could generally be considered significant and adverse if "households or individuals would be displaced by legal means…they would not be likely to receive relocation assistance, and, given the trend created or accelerated by the proposed action, they would not be likely to find comparable replacement housing in their neighborhood." There is the potential for this to be true for low- and moderate-income residents living in unprotected housing units in certain census tracts within the proposed action and primary study areas – a population estimated to be about 1,766 individuals or 577 households, according to currently available data and conditions.

As stated earlier, the total population estimated to be vulnerable to direct and indirect displacement under the With-Action scenario but not under the No-Action scenario represents only three percent of the primary study area's population. These residents are dispersed throughout the primary study area, and many can be expected to occupy some of the 591 affordable housing units projected to be developed under the proposed action.

HPD has been very active in the primary study area and wider surrounding area in constructing affordable and market-rate housing targeted for low- and moderate-income residents. Between 1995 and 2007, 816 new housing units were built by HPD within the primary study area, indicating an ongoing commitment to providing housing for existing residents.

Over half of the projected residential units proposed for development would occur on waterfront sites, which are generally situated more than ½-mile from the census tracts identified as containing a population at risk. New waterfront development may shift the focus of the residential neighborhood, and residential demand associated with it, to the west, away from the identified populations at risk. New upland development would, in contrast, be smaller in scale and a clear continuation of an existing development trend.

Nearly 600 of the new units projected in the proposed action area are expected to be affordable, providing some opportunities to the potentially displaced residents. Further, many of the residents living in unprotected housing may not be at high risk of indirect displacement as a result of the proposed action. Migration rates are fairly high in the primary study area, and residents have a tendency to move frequently.

For these reasons, it has been determined that the proposed action would not result in a significant adverse indirect residential displacement impact.

Indirect Business Displacement: According to the guidelines presented in the *CEQR Technical Manual*, the proposed action would not cause significant indirect business displacement impacts.

The total development that is expected to occur under the With-Action scenario but not under the No-Action scenario would result in a net increase of 571,162 sf of new retail space, 164,285 sf of new hotel space (combined for a total of 735,447 sf), 63,700 sf of community facility space, and a net reduction of 598,351 of office space. While regional retail is anticipated on large lots along the Grand Concourse and on large lots along the waterfront where proposed zoning districts would allow grocery stores, the proposed action would not significantly alter existing regional economic patterns.

There are several substantial retail centers just outside the primary study area. The Hub, at the intersection of Third Avenue, Willis Avenue, and 149th street, and along Third Avenue up to 156th street, is a historically strong retail center that continues to expand. The New York City Economic Development Corporation has helped to add hundreds of thousands of retail and office square footage in recent years. Additionally, the Gateway Center of Bronx Terminal Market, next to the site of the new Yankee Stadium at 161st street and Grand Concourse, is creating over one million square feet of new retail space. Both sites are set in the context of a growing South Bronx retail community, and the amount of retail and commercial square footage in the surrounding neighborhoods is already drawing customers from the greater area.

Any development projected to occur in the Lower Concourse proposed action area would augment existing retail in nearby areas. Further, excellent transit access and the neighborhood's proximity to several highways make this a desirable location for supporting additional regional retail. The proposed text amendment would also allow grocery stores as-of-right within the proposed M1-4 zoning district, primarily created to serve the local community and new residents. New local retail is projected at the base of all new residential construction.

The proposed action would not alter existing regional economic patterns or add to the concentration of a particular sector enough to alter trends. It would directly displace "blighted" uses or properties enough so that commercial rents would increase; however, there is a dearth of commercial property in the proposed action and primary study areas currently, and the proposed rezoning is intended to attract new commercial and retail businesses. The proposed action would not directly or indirectly displace uses or people

that support businesses in the area or form the customer bases for existing businesses. In addition, it would not introduce a land use that would offset positive trends in the primary study area or impede efforts to attract investment. On the contrary, the proposed action is expected to attract new investment by providing retail and commercial facilities to meet projected residential development.

New households expected to locate in the proposed action area under the proposed action would bring spending power that would be available for capture by proposed retail and service establishments. Because the anticipated growth in number of households and household spending is large and the amount of commercial development expected under the proposed action is modest, it can be assumed that household demand for retail and neighborhood services would reasonably support new neighborhood goods and service shops expected under the proposed action.