Chapter 4: Socioeconomic Conditions

A. INTRODUCTION

This chapter examines the potential effects of the proposed project on population and housing characteristics, economic activity, and businesses and employment within an area most likely to be affected by the proposed project. The proposed project would allow for the construction of approximately 2.82 million gross square feet (gsf). It is assumed for analysis purposes in this Environmental Impact Statement (EIS) that the project could include up to 2,400 residential units, based on an average unit size of approximately 1,000 gsf within approximately 2.44 million gsf of residential space. The applicant currently intends to build 2,200 residential units on the project site, of which 660 would be affordable to low- and moderate-income households. In addition, it would create approximately 127,537 gsf of retail, 98,738 gsf of office space, 146,451 gsf of community facility use, and approximately four acres of public open space.

In accordance with the guidelines presented in the *City Environmental Quality Review (CEQR) Technical Manual*, this chapter evaluates five specific factors that could create significant adverse socioeconomic impacts in an area: (1) direct residential displacement; (2) direct business and institutional displacement; (3) indirect residential displacement; (4) indirect business and institutional displacement; and (5) adverse effects on specific industries not necessarily tied to a project site or area.

This chapter is organized as follows:

- Section A presents an introduction and summary of principal conclusions;
- Section B provides an overview of the methodology utilized in assessing potential socioeconomic impacts;
- Section C presents the preliminary assessments of residential displacement, business and institutional displacement, and the preliminary assessment of potential adverse effects on specific industries; and
- Section D presents a detailed analysis of indirect residential displacement.

PRINCIPAL CONCLUSIONS

By 2020, the proposed project would not result in significant adverse impacts due to changes in socioeconomic conditions. Findings with respect to the *CEQR Technical Manual*'s five areas of potential socioeconomic impact are summarized below.

DIRECT RESIDENTIAL DISPLACEMENT

The project site is currently unoccupied; thus the proposed project would not result in direct residential displacement.

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The project site is currently unoccupied; thus the proposed project would not result in direct business displacement.

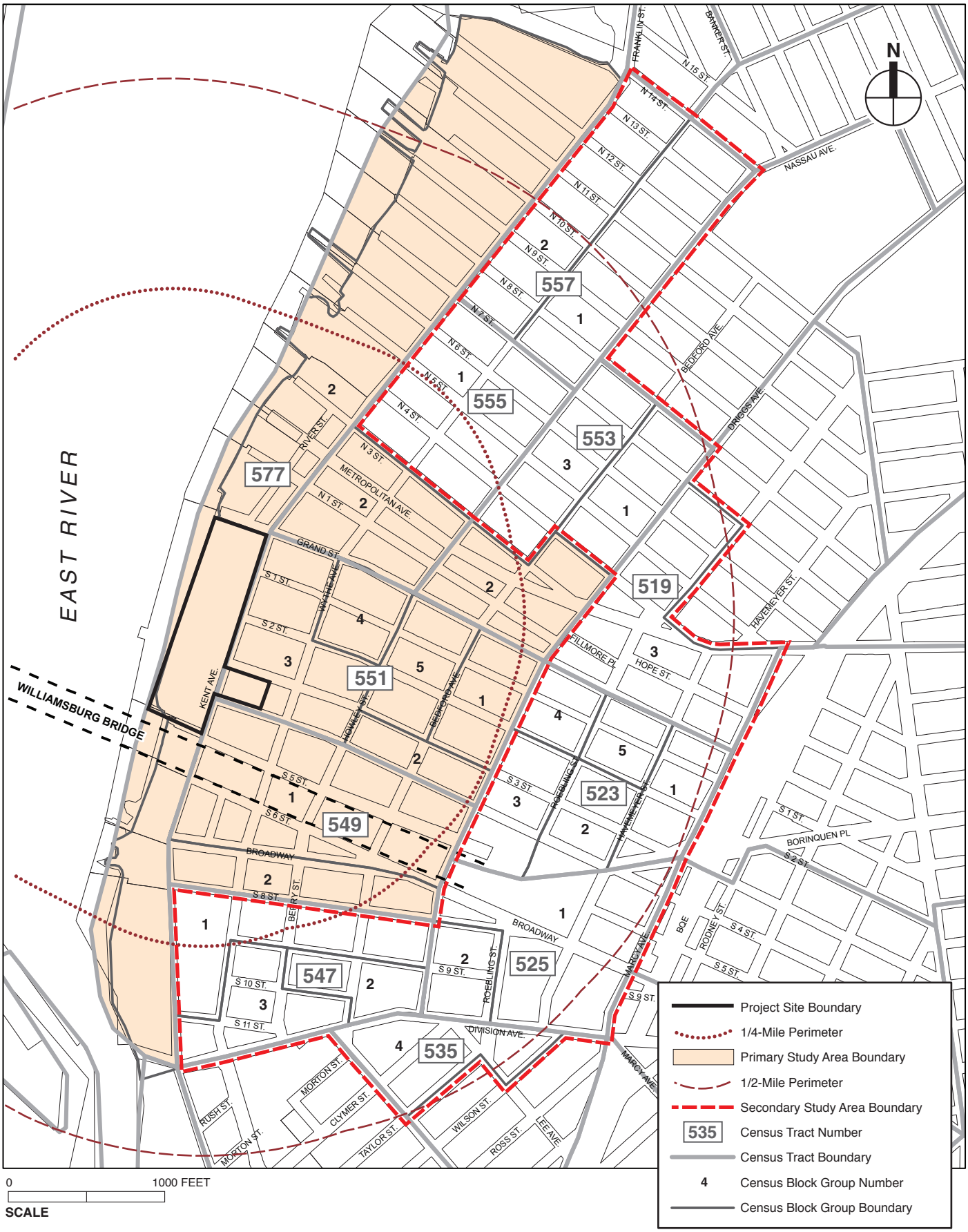
INDIRECT RESIDENTIAL DISPLACEMENT

The proposed project would not result in significant adverse indirect residential displacement. For this analysis, demographic and economic studies and field investigations are used to describe existing population and housing conditions in the proposed project area and within the primary and secondary study areas. The primary study area includes the population living within roughly ¼ mile surrounding the project site. The secondary study area includes the population living between the ¼-mile boundary and the ½-mile boundary (see Figure 4-1).

The project's 2,400 housing units are projected to increase the primary and secondary study area population by 14.9 percent or 6,696 residents by 2020, compared to the future without the proposed project (the "No Action" condition). Approximately 70 percent of the project's residential units would have households with high household incomes relative to the current population. However, their incomes would be similar to levels expected of other new study area residents in the No Action condition. In recent years, the study area has experienced a substantial amount of new market-rate residential development and an influx of higher-income households. The socioeconomic characteristics of the population living in the study area are already changing and will continue to change over the next several years in the No Action condition. The approximately 1,398 affordable housing units expected to be generated by the Greenpoint-Williamsburg rezoning will serve to retain a number of households that may otherwise be displaced due to increased rental rates, but there will continue to be potential for indirect residential displacement impacts in the No Action condition.

According to the detailed analysis of indirect residential displacement, the study area contains an estimated 181 unprotected units, all within Census Tract 525, that house an estimated 570 residents potentially vulnerable to displacement. Given the existing, documented trend toward increased rents in the study area, these households will be vulnerable to displacement irrespective of the proposed project. By 2020, the study area is expected to gain an estimated 6,093 housing units in developments unrelated to the proposed project, and these projects will introduce a substantial new population with high incomes relative to the existing population. While there is the potential for limited indirect displacement as a result of the proposed project, such displacement would not have the potential to generate significant adverse effects on socioeconomic conditions in the study areas, for the following reasons. First, the project site is a distance away from the population at risk, limiting its potential to influence residential trends in that area. Second, housing units in Census Tract 525 have a higher turnover rate than other census tracts in the study area, and residents are likely to change over the next decade regardless of the proposed project. Third, the proposed project would create a mix of market-rate and affordable housing, with 30 percent of the new housing units expected to be affordable.[1] The

[1] In order to realize the full allowable floor area under the proposed rezoning action, the applicant would be required to allocate 20 percent of the residential floor area as affordable housing; however, the EIS has assumed 30 percent of the units would be affordable because it is the applicant's stated intention to provide the 30 percent allocation of affordable units. The difference between the provision of 20 percent and 30 percent affordable units does not alter the conclusion that the proposed project would not result in significant adverse impacts due to indirect residential displacement.



Socioeconomic Conditions Study Areas

Figure 4-1

proposed project's affordable housing component would help ensure that a substantial number of affordable units would be available to the at-risk population, and that a substantial portion of the new population would have incomes that more closely reflect, and may be lower than, existing household incomes in the study area.

INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The proposed project would not result in significant adverse impacts due to indirect business and institutional displacement. As discussed above, the types of uses to be introduced include housing, retail, office, community facilities, and open space. As discussed below, the primary and secondary study areas encompass mixed-use neighborhoods with substantial amounts of housing and retail as well as small office uses and scattered community facilities and open spaces. Because these uses already exist in both study areas, it is not likely that the proposed project would alter or accelerate existing economic patterns. Furthermore, there is already a well-established economic trend toward residential and commercial redevelopment that is expected to continue independent of the proposed project.

The proposed project would not directly displace uses of any type that directly support businesses in the area or bring people to the area who form a customer base for local businesses. The proposed project would add approximately 2,400 residential units, approximately 127,537 square feet (sf) of retail space, and approximately 95,738 sf of office space, which would add more residents and workers to the area that form a customer base for local businesses. The net effect of the proposed project would be an increase in the number of residents and daytime workers and visitors, thereby providing significant numbers of new customers for the existing and proposed business uses.

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. The proposed project is not likely to cause a significant adverse impact on any industry within or outside the study area.

B. METHODOLOGY

CEQR OVERVIEW

Under CEQR, the socioeconomic character of an area is defined in terms of its population, housing, and economic activities. The assessment of socioeconomic conditions usually distinguishes between the socioeconomic conditions of area residents and area businesses. However, actions affect either or both of these segments in the same ways. They may directly displace residents or businesses, or they may alter one or more of the underlying forces that shape socioeconomic conditions in an area and thus indirectly displace residents or businesses.

Direct displacement is defined as the involuntary displacement of residents, businesses, or institutions from the actual site of (or sites directly affected by) a proposed action. Examples include proposed redevelopment of a currently occupied site for new uses or structures, or a proposed easement or right-of-way that would take a portion of a parcel and thus render it unfit for its current use.

Indirect or secondary displacement is defined as the involuntary displacement of residents, businesses, or employees in an area adjacent or close to a project site that results from changes in socioeconomic conditions created by a proposed action. Examples include rising rents in an area that result from a new concentration of higher-income housing introduced by a proposed action, which could make rents out of reach for lower-income residents; a similar turnover of industrial to higher-rent commercial uses induced by the introduction of a successful office project in an area; or the flight from a neighborhood that can occur if a proposed action, such as a highway, creates a condition that breaks down the community (e.g., a highway dividing the area).

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

DETERMINING WHETHER A SOCIOECONOMIC ASSESSMENT IS APPROPRIATE

Under CEQR, socioeconomic assessments should be conducted if a proposed action may be reasonably expected to create substantial socioeconomic changes within the area affected by the project that would not be expected to occur absent the project. According to Section 200 of the *CEQR Technical Manual*, there are five circumstances that would typically require a socioeconomic assessment:

1) The project would directly displace residential populations so that the socioeconomic profile of the neighborhood would be substantially altered.
2) The project would directly displace substantial numbers of businesses or employees, or would directly displace a business or institution that is unusually important.
3) The project would result in substantial new development that is markedly different from existing uses, development, or activities within the neighborhood. Such a project could lead to indirect displacement. Typically, projects that are small to moderate in size would not have significant socioeconomic effects unless they are likely to generate socioeconomic conditions that are very different from existing conditions in the area. Residential development of 200 units or less, or commercial development of 200,000 sf or less, would typically not result in significant socioeconomic impacts.
4) Notwithstanding the above, the project may affect conditions in the real estate market not only on the site anticipated to be developed, but also in a larger area. When this possibility cannot be ruled out, an assessment may need to be undertaken to address indirect displacement. Such projects can include those that would raise or lower property values in the surrounding area.
5) The project may adversely affect economic conditions in a specific industry.

Considering the five circumstances listed above can help identify those issues of socioeconomic assessment that apply to a particular project. The geographic area and socioeconomic conditions to be assessed, and the methods and level of detail by which they are studied, depend on the nature of the proposed action. Because the proposed project would introduce more than 200 units of residential development, an assessment of socioeconomic conditions is required.

With the proposed project, two circumstances—direct (or primary) residential displacement and direct (or primary) business displacement—can be ruled out since the project site is currently unoccupied. Therefore, this chapter addresses the three remaining areas of CEQR concern: indirect (or secondary) business displacement; effects on specific industries; and indirect (or secondary) residential displacement.

ASSESSMENT METHODS

ANALYSIS FORMAT

In conformance with *CEQR Technical Manual* guidelines, the analyses of the three areas of concern outlined above begin with a preliminary assessment. The purpose of the preliminary analyses is to learn enough about the effects of the proposed project either to rule out the possibility of significant adverse impacts or to determine that more detailed analyses is required to resolve the question. The detailed analysis is framed in the context of evaluating existing and No Action conditions, and future conditions with the proposed project.

STUDY AREA DEFINITION

The proposed project has the potential to affect socioeconomic conditions within varying geographic study areas, depending on the issue of concern. Therefore, the analyses use primary and secondary study areas in addition to the proposed project area. The study areas used for the various components of the preliminary and detailed assessments are within the extent of the ½-mile study area used in Chapter 3, "Land Use, Zoning, and Public Policy." However, the exact boundaries of the socioeconomic study areas were modified to match the census block groups that most closely delineate a ½-mile and ¼-mile perimeter surrounding the project site (see Figure 4-1). By conforming to census block group boundaries, the socioeconomic analysis is able to more accurately apply census data in depicting the demographic characteristics of the surrounding area.[1]

The primary and secondary study areas are treated independently, rather than cumulatively, in this chapter. For example, the total population reported for the secondary study area includes only the population living between the primary study area boundary and the secondary study area boundary; it does not include the population living in both the primary and secondary study areas.[2]

DATA SOURCES

Information used in the preliminary assessment and detailed analysis of indirect residential displacement was gathered from demographic and housing data from the US Census Bureau's 1990 and 2000 Census, New York City Department of Finance's Real Property Assessment Data (RPAD) 2009 database, field surveys conducted in 2007 and 2009, and the *Greenpoint-Williamsburg Rezoning Final Environmental Impact Statement (FEIS)*, issued in March 2005. Information on current rental rates in the study area was obtained from local real estate brokerage firms, including Prudential Douglas Elliman, Massey Knakal Realty, Aptsandlofts.com, and Corcoran. All values (i.e., median household income, median housing

[1] 1990 and 2000 Census block group boundaries vary in one instance. In 1990, the block groups in Census Tract 525 that are included in the secondary study area are Block Group 1 and Block Group 3.

[2] The primary study area includes Block Groups 1 and 2 of Census Tract 549, Block Groups 1, 2, 3, 4, and 5 of Census Tract 551; Block Group 2 of Census Tract 553; Block Group 2 of Census Tract 555; and Block Group 2 of Census Tract 577. The secondary study area includes Block Group 3 of Census Tract 519; Block Groups 1, 2, 3, 4, and 5 of Census Tract 523; Block Groups 1 and 2 of Census Tract 525; Block Group 4 of Census Tract 535; Block Groups 1, 2, and 3 of Census Tract 547; Block Groups 1 and 3 of Census Tract 553; Block Group 1 of Census Tract 555; and Block Groups 1 and 2 of Census Tract 557. 1990 and 2000 Census block group boundaries vary in one instance. In 1990, the block groups in Census Tract 525 that are included in the secondary study area are Block Group 1 and Block Group 3.

value, and median contract rent) presented in this chapter are in constant 2009 dollars using the US Department of Labor's August 2009 Consumer Price Index for the "New York-Northern New Jersey-Long Island" area.

Information used in the analysis of indirect business displacement and effects on specific industries was gathered from a variety of sources, including: the US Census Bureau's 1990 and 2000 Census; 2000 Census Transportation Planning Package (CTPP) Reverse Journey to Work data; field surveys conducted in 2007 and 2009; the *Greenpoint-Williamsburg Rezoning FEIS*; real estate articles from *The Real Deal*, and *New York Post*; the 2009 first quarter Brooklyn Market Overview by Prudential Douglas Elliman, and the RPAD 2009 database.

Existing population and housing units are based on 2009 RPAD data that includes data up to April 1, 2009. Thus, "existing conditions" refers to conditions in 2009.

C. PRELIMINARY ASSESSMENT

Under *CEQR Technical Manual* guidelines, the first step in a socioeconomic impact analysis is a preliminary assessment. This section examines three areas of potential socioeconomic impact in relation to the proposed project.[1] 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 impacts, or to establish that a more detailed analysis will be required to determine whether a proposed action would lead to significant adverse impacts.

For two of the three issue areas—indirect business and institutional displacement and adverse effects on specific industries—the preliminary assessment rules out the possibility that the proposed project would have a significant adverse impact as defined in the *CEQR Technical Manual*. For the remaining area—indirect residential displacement—the preliminary assessment indicates that a detailed analysis is necessary to adequately assess whether the proposed project would have significant adverse impacts. The detailed analysis for indirect residential displacement follows this preliminary assessment in Section D.

INDIRECT RESIDENTIAL DISPLACEMENT

Indirect residential displacement is the involuntary displacement of residents due to a change in socioeconomic conditions created by a proposed action. In most cases where it occurs, indirect residential displacement is caused by increased property values generated by an action, which then results in higher rents in an area, making it difficult for some existing residents to continue to afford their homes.

The preliminary assessment 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: 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 section provides responses to the screening criteria outlined in Section 322.1 of the *CEQR Technical Manual* (numbered in italics below), which describe circumstances that can generate potentially significant impacts.

[1] Analysis of direct residential displacement and direct business displacement is not warranted. The project site is currently unoccupied; therefore, no analysis in this area is required.

1. Would the project add substantial new population with different socioeconomic characteristics compared to the size and character of the existing population?

According to the *CEQR Technical Manual,* a 5 percent increase in the study area population could be large enough to affect socioeconomic trends significantly. The proposed project would add up to approximately 2,400 new residential units to the study area, or approximately 6,696 residents.[1] This would increase the study area population in the primary and secondary study areas by 23 percent from 28,840 residents in 2009 to 35,536 residents in 2020. As this is greater than the 5 percent threshold, a detailed analysis is required to determine whether the proposed project would generate significant adverse socioeconomic impacts due to indirect residential displacement (see Section D, "Detailed Analysis").

2. Would the project directly displace uses or properties that have had a "blighting" effect on property values in the area?

The existing uses have not had a "blighting" effect on property values in the study area. Indicators that a property has had a "blighting" effect on property values in an area may include: limited development around the property, high vacancy rates in the study area, or stagnant or decreasing housing values and contract rents in the study area. From 1990 to 2000, the median contract rent in the study area increased by 33.1 percent from $545 to $725 (see Table 4-9). In addition, the 2000 median housing values in the primary and secondary study areas were higher than the median housing values in the county and the city as a whole. In 2000, the median housing value in the primary study area was $311,768, which was 4.1 percent higher than the county median ($299,450) and 7.9 percent higher than the citywide median ($288,998). Although the secondary study area median housing value was only higher than the county median by 0.4 percent, it was 4.1 percent higher than the city's median. The high median housing value and median contract rent illustrates the desirability of the study area as a residential neighborhood and indicates that the area is not suffering from blight. Further, as discussed in more detail in Section D, current real estate data indicates that rents and sales prices have increased significantly between 2000 and 2009. The upward trend in the study area's residential real estate market is not indicative of an area suffering from blight.

Regarding recent developments, approximately 6,093 residential units are expected to be added to the study area in the No Action condition, assuming a healthy market (see Tables 2-1 and 2-2). For instance, there are expected to be 900 residential units at Northside Piers, which will include 3 residential towers. One Northside Piers at 4 North 5th Street, which has 177 luxury residential units on 29 floors, has recently been completed. Construction is underway at the 30-story Two Northside Piers, which will offer an additional 270 units.[2] Two Northside Piers is anticipated to be completed in spring 2010. Finally, Three Northside Piers is proposed to be a 40-story residential high rise building. Also, Rose Plaza at 470-490 Kent Avenue is expected to add 801 residential units to the study area. While the current economic slowdown may result in more gradual development activity, the overall trend toward residential development in the study area is another indication that the project site has not had a blighting effect on property values.

[1] Based on an average household size of 2.79 per household (the 2000 average for households within the primary and secondary study areas).

[2] Real Estate Weekly, "Citibank provides $157m loan for development that's transforming Williamsburg's waterfront," April 23, 2008 (Accessed June 26, 2008).

3. Would the project directly displace enough of one or more components of the population to alter the socioeconomic composition of the study area?

The project site is currently unoccupied. Therefore, the proposed project would not directly displace any population to alter the socioeconomic composition of the study area.

4. Would the project introduce 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 project is complete?

The proposed project would introduce up to 2,400 residential units. A substantial number of affordable housing units would be added to the project area, as 30 percent of the project's residential units would be affordable housing units. Many of the affordable units would be offered at rents and prices lower than existing housing and housing expected to be built in the study area by the time the project is complete. The new market-rate units would be comparable to other existing and new developments that are anticipated to be in place by 2020. By 2020, the study area is expected to gain 6,093 residential units, many of which will be market rate. As discussed in more detail in Section D, the study area's median contract rent, as reported by the 2000 Census, was $725. Current market-rate rentals in the study area are significantly higher than the 2000 median contract rent. Based on a sample of 24 rental units in September 2009, rental rates for one-bedroom units range from $1,400 to $2,800 per month, rental rates for two-bedroom units range from $2,100 to $4,300, and rental rates for three-bedroom units range from $3,500 to $6,975.[1]

The median sales price of a sample of units sold in the study area between January and August 2009 was $530,000, 73.9 percent higher than the 2000 median housing value ($304,745).[2] For example, sales prices for units at the first completed portion of Northside Piers were $535,000 for a 789-square-foot, 1-bedroom unit that was sold in August 2009 and $795,000 for a 1,081-square-foot, 2-bedroom unit that was sold in August 2009.[3] The Edge, a mixed-use waterfront project currently under construction and expected to be completed by the end of 2009, will include 1,312 residential units. The offering prices range from $390,000 to $795,000 for a studio, $490,000 to $885,000 for a one-bedroom unit, $695,000 to $1.69 million for a two-bedroom unit, and $1.21 million to $2.74 million for a three-bedroom unit.[4] Again, these listings are significantly higher than the 2000 median home value in the study area. The market-rate condominiums resulting from the proposed project would likely be similar to existing and projected market-rate residential projects in the study area.

[1] According to the US Census Bureau, median contract rent is the middle value of the monthly rent agreed to or contracted for, regardless of any furnishings, utilities, fees, meals, or services that may be included. Although median contract rent is not directly comparable to current rental listings, the disparity between the median contract rent in 2000 and current listings indicate that there has been a notable increase in rents. Apartment listings were obtained from the following websites on September 10, 2009: Aptsandlofts.com, Prudential Douglas Elliman, and Corcoran.

[2] Sales data was obtained on Trulia.com. (Accessed on September 9, 2009).

[3] Sales data for One Northside Piers was obtained from http://www.streeteasy.com/nyc/building/4-north-5-street-brooklyn. (Accessed on September 14, 2009).

[4] Offering prices were obtained on http://www.williamsburgedge.com/. (Accessed on September 14, 2009).

5. Would the project introduce a "critical mass" of non-residential uses such that the surrounding area becomes more attractive as a residential neighborhood complex?

In addition to the residential units, the proposed project would include 127,537 gsf of retail space, 98,738 gsf of office space, 146,451 gsf of community facility uses, and approximately four acres of public open space.

The proposed project would not introduce a critical mass of retail or office uses such that the surrounding area would become more attractive as a residential neighborhood, as these non-residential uses already exist in the area. Based on RPAD data, the primary study area contained approximately 2.4 million sf of commercial space (including retail, office, storage, and garage area), of which 296,532 sf was retail space. The secondary study area included 2.9 million sf of commercial area, of which about 877,622 sf was retail space. In addition, approximately 163,849 sf of retail was recently completed or is expected to be complete by 2020, such as Rose Plaza at 470-490 Kent Avenue, which is expected to add an estimated 28,126 sf of retail, or Kedem Winery, which is expected to add 26,413 sf of retail. In addition, approximately 27,000 sf of retail will be added at 184 Kent Avenue (see Table 2-1). The retail introduced by the proposed project would not represent a new land use or amenity in the study area, and would not in and of itself make the surrounding neighborhoods substantially more attractive as a residential neighborhood complex.

Similarly, while the office use introduced by the proposed project would be larger than most office uses in the area, it would not represent a new use that would make the area more attractive as a residential neighborhood. According to RPAD data, the primary study area has approximately 446,647 sf of office uses and the secondary study area has approximately 569,425 sf of office uses. Most of this office space is in buildings with 30,000 sf or less office space. The study areas contain mixed-use neighborhoods with a number of small commercial offices, many of which are located within mixed-use buildings. For example, the building at 338 Berry Street contains approximately 32,000 sf of office space, as well as residential uses. There are also many small office uses associated with industrial businesses located throughout the primary and secondary study area.

The approximately four acres of public open space in the proposed project would include a large public open space along the waterfront that would highlight the landmarked Refinery. This open space would provide a valuable amenity to the residential and worker population in the study area. However, it would not introduce a critical mass of nonresidential use that would substantially increase the area's desirability as a neighborhood complex. As described in Chapter 6, "Open Space," the study area currently has 16.3 acres of active and passive open space in several parks, including East River State Park and Grand Ferry Park. Although the publicly accessible open space introduced by the proposed project would serve as a valuable amenity, it would not represent a new land use in the study area and would not substantially affect residential property values in the study area.

The proposed project would introduce approximately 146,451 sf of community facility space. While a specific type of community facility use has not yet been determined, it is likely to be compatible with other community facility or institutional uses in the study area, which include schools, medical offices, and child care facilities. Even if the specific community facility were to be unique to the study area, it would not be of an amount that would alter the existing residential and institutional character of this portion of the study area.

6. Would the project introduce a land use that could offset positive trends in the study area, impede efforts to attract investment to the area, or create a climate for disinvestment?

The proposed project would not impose any type of change that would diminish investment in the primary or secondary study areas. On the contrary, it would allow and encourage more opportunities for investment in the primary and secondary study areas by generating new employment opportunities, creating new housing, and expanding upon public open space in order to meet the growing demands of the neighborhood.

CONCLUSION

The preliminary assessment for indirect residential displacement demonstrates that the proposed project would not directly displace uses or properties that have had a blighting effect on property values in the area, nor would it directly displace enough of one or more components of the population to alter the socioeconomic composition of the study area. The proposed project would also not introduce a substantial amount of a more costly type of housing compared to existing housing, nor would it introduce a "critical mass" of non-residential uses such that the surrounding area becomes more attractive as a residential neighborhood complex. Finally, the proposed project would not introduce a land use that could offset positive trends in the study area, impede efforts to attract investment to the area, or create a climate for disinvestment. However, the preliminary assessment could not rule out the possibility that the proposed project would add a substantial new population with different socioeconomic characteristics compared to the size and character of the existing population. Therefore, a detailed analysis of indirect residential displacement is required (see Section D, "Detailed Analysis of Indirect Residential Displacement").

INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

Like the analysis of indirect residential displacement, the preliminary assessment of indirect business and institutional displacement focuses on whether the proposed project could increase commercial property values and rents within the primary or secondary study areas, making it difficult for some categories of businesses to remain in the area. The preliminary assessment follows the methodology of the *CEQR Technical Manual* in analyzing the criteria numbered in italics below.

1. Would the proposed actions introduce enough of a new economic activity to alter existing economic patterns?

The proposed project would introduce a combination of residential, retail, office, and community facility use, none of which would be new economic activities added to the study areas. Independent of the proposed project, the study area has already demonstrated a strong residential market, particularly after being partially incorporated into the Greenpoint-Williamsburg rezoning.

Retail/commercial uses that would be introduced by the proposed project are not considered new economic activities in the study areas. As shown in Table 4-1, as of 2000, the retail trade sector accounted for 10.2 percent of all jobs in both study areas. This sector (along with construction) is the third highest concentration of jobs after manufacturing (16.6 percent) and educational, health care, and social services (12.6 percent). The manufacturing jobs in the most recent 2000 Census Reverse Journey to Work data would have included employment at the Domino Sugar factory when it was operating on the project site. In 1999, at least 284 employees went on strike in

opposition to a proposed downsizing of the factory by owners Tate & Lyle. Following this 20-month strike, union workers agreed to a new contract, allowing for a total of 110 jobs to be cut from the refinery in 2000.[1] A few years later in 2004, the factory's closing displaced at least 260 jobs from the site.[2] Due to the factory's closing in 2004, manufacturing employment is currently substantially less than what is reflected in the latest 2000 Census data.

Table 4-1
Employment by Industry in 2000

North American Industry Classification System (NAICS) Category	Percent of Total Study Area	Percent of Brooklyn	Percent of New York City
Agriculture, forestry, fishing and hunting and mining	0%	0.1%	0.1%
Construction	10.2%	5.5%	4.6%
Manufacturing	16.6%	7.1%	6.0%
Wholesale trade	9.2%	3.4%	3.2%
Retail trade	10.2%	9.0%	8.2%
Transportation and warehousing and utilities	8.7%	8.9%	6.6%
Information	3.2%	2.5%	5.8%
Finance, insurance, real estate, and rental and leasing	6.6%	6.9%	13.0%
Professional, scientific, management, administrative, and waste management services	7.2%	6.8%	12.7%
Educational, health and social services	12.6%	32.8%	22.3%
Arts, entertainment, recreation, accommodation, and food services	7.7%	5.2%	7.4%
Other services (except public administration)	5.1%	5.9%	5.1%
Public administration	2.7%	5.9%	5.1%
Armed forces	0%	0.1%	0.1%
Total	**100.0%**	**100.0%**	**100.0%**

Note: Only Census Tracts with at least 50 percent of employment within the study area were selected for this analysis.
Source: U.S. Census, 2000 Reverse Journey to Work data.

Likewise, the office uses that would be introduced by the proposed project would not be considered new economic activities in the study area. Industries that typically require office space for their functions—such as finance, insurance, and real estate, as well as professional, scientific, management, administrative, and waste management services—represented a combined total of 13.8 percent of all employment in both study areas. Thus, there is already economic activity generated in the primary and secondary study areas by office uses and employees and the introduction of a new office use would not have the potential to alter existing economic patterns.

Despite the closing of Domino in 2004, the study area retains a strong mixed-use industrial and residential character. The remaining manufacturing and industrial businesses in the primary study area are concentrated along the blocks closest to the waterfront—including the blocks immediately east of the project site—and along Grand Street, South 1st Street, and South 5th Street. Industrial uses in the primary study area include mainly manufacturing uses, warehouse and distribution uses, and wholesale businesses. In many instances, industrial uses in the primary study area are located across the street from, or even next to, residential, retail, commercial, and institutional uses. In particular, the mixed-use zoning on the blocks immediately east of the project site reflects an area where residential uses are located next door to light industrial uses. Manufacturing uses in the study area include metal fabrication, lumber millwork, seating manufacturing, shelving

[1] Greenhouse, Steve. "Bitter Strike at Domino Finally Ends", *New York Times*, 27th February, 2001. http://query.nytimes.com accessed June 26, 2008.

[2] Cardwell, Diane. "Familiar Domino Sugar Refinery Will Shut Much of Its Operation", *New York Times*, 21, August 2003. http://query.nytimes.com; accessed June 25, 2008.

manufacturing, digital production and printing, and design/build firms. Other industrial uses in the study area include food distribution, building material wholesalers, moving and storage uses, and a facility that treats, stores, and disposes of hazardous waste materials. As observed during September 2009 site visits, the area's manufacturing uses tend to have higher rates of employment with more workers at each business than certain other industrial uses, most notably warehouse and distribution uses, which tend to have only a few employees at each business.

Within the primary study area, businesses serving the local residential population include eating and drinking establishments, shoppers goods stores such as electronics, women's and men's clothing, as well as designer furniture stores, boutiques, and vintage shops. Similarly, the secondary study area is comprised of a mixture of neighborhood services and convenience goods stores such as grocery stores, delis, banks, and nail salons.

2. Would the proposed actions add to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to alter existing economic patterns?

There is already a well-established trend toward residential and commercial redevelopment in the study areas such that the proposed project would not alter or accelerate trends to change existing economic patterns. Based on RPAD data, the number of study area housing units increased by approximately 23.1 percent in the primary study area and 6.5 percent in the secondary study area since 2000.

Additionally, since the rezoning of Greenpoint-Williamsburg, projected sites unrelated to the proposed project are expected to result in a substantial amount of retail use independent of the proposed project. Approximately 2,158 residential units and 82,310 sf of retail floor area would be introduced to the primary and secondary study areas (see Figure 2-2).[1]

Two major developments illustrate this trend geared toward residential development in both the primary and secondary areas. Currently under construction within the primary study area is Northside Piers, to contain a total of 900 residential units. Within the secondary study area lies "The Edge," a condominium development also under construction that will occupy the space between North 5th to North 7th Street, from Kent Avenue to the East River. There are plans for up to 1,312 residential condo units for that property, and as many as 2,500 units to be introduced within a two-block area.[2] Schaefer Landing, a development within the study area located at 420 Kent Avenue, has added a total of 211 units.[3] The proposed project will follow trends of new residential development and, as described above, would not add a substantial amount of new commercial use to any business or industrial sector to accelerate an existing trend.

Businesses most vulnerable to indirect displacement due to increased rent are typically those businesses whose uses are less compatible with the economic trend that is creating upward rent pressures in the study area; i.e., those businesses that tend not to directly benefit (in terms of increased business activity) from the market forces generating the increases in rent. In the case of both the primary and secondary study areas, there is an existing trend toward increased demand for convenience goods and neighborhood services from the growing residential and

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[1] Greenpoint-Williamsburg Rezoning FEIS, March 2005.

[2]The New York Post, www.nypost.com/seven/10102007/business/bklyn_gets_apple__barneys.htm

Weiss, Lois. October 10, 2007.

[3]Real Property Assessment Data (2008) database; Certificate of Occupancy data provided by New York City Department of City Planning

employee populations. Uses that are less dependent on residential populations as a customer base (such as heavy and some light manufacturing) may not be able to afford increases in rent due to increases in property values compared to a neighborhood services use, such as a restaurant, which could see increased business activity from the increased residential and employee presence.

Area businesses most vulnerable to indirect displacement due to increased rents therefore include industrial businesses, such as building material manufacturers or food distributors located in areas where general manufacturing uses would be located in close proximity to residential uses. In addition, existing retail and commercial office uses above the ground floor could face indirect displacement pressure due to the increased desirability of residential uses. However, these pressures are already present within the study areas and are expected to increase in the future irrespective of the proposed project. As mentioned earlier, there is already an existing trend toward residential and retail growth in the study areas. Furthermore, many of the existing manufacturing and industrial businesses in the study area are already located across the street from, or even next to, residential, retail, and commercial uses. Therefore, while the proposed project could result in limited indirect displacement of existing businesses, it would not alter or accelerate trends that would change existing economic patterns in a manner that would result in significant indirect displacement.

3. Would the proposed actions directly displace uses or properties that have a "blighting" effect on commercial property values in the area, leading to rises in the commercial rents?

The proposed project would not displace properties or uses that have a "blighting" effect on commercial property values. Although the site was formerly used as a sugar refinery plant and has been unoccupied since 2004, recent residential and commercial construction activity in the study area indicates that the site has not had a blighting influence or hampered new investment in the surrounding area. Some examples include a new residential development under construction at 80 Metropolitan Avenue, just two blocks north of the site, and Northside Piers at Four North Fifth Street. Field surveys of the exteriors of properties in the primary and secondary areas showed signs that the area is in good physical condition; the sites generally contain active uses and do not impose poor physical conditions on the surrounding area.

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

The site is currently unoccupied. Thus, the proposed project would not directly displace uses of any type that directly support businesses in the area or bring people to the area that form a customer base for local businesses.

5. Would the proposed actions directly or indirectly displace residents, workers, or visitors who form the customer base of existing businesses in the study area?

The proposed project would not directly displace residents, workers, or visitors. While it may indirectly displace a small portion of these populations, it would not do so to an extent that would affect the customer base of existing businesses in the study areas. The detailed analysis of indirect residential displacement finds that the proposed project would not result in significant indirect residential displacement (see Section D, "Detailed Analysis" below). Further, the proposed project would introduce a substantial new residential population that would add to the

area's existing customer base. In addition, as compared to conditions in the No Action scenario, the proposed project would introduce approximately 1,165 new employees on-site.[1] The new residential and worker population that would be introduced by the proposed project would exceed the populations that are potentially vulnerable to indirect residential and business displacement. The customer base for existing businesses has the potential to increase based on the introduction of new residents and workers.

6. Would the proposed actions introduce a land use that could have a similar indirect effect, through 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 study area, to impede efforts to attract investment to the area, or to create a climate for disinvestment?

As described in Chapter 1 "Project Description," the proposed project is intended to transform a vacant site formerly used as a sugar refinery plant into a new, enlivened, and mixed-income residential neighborhood that would attract new populations of residents, employees, and visitors extending beyond the neighborhood of Williamsburg and the Borough of Brooklyn. The proposed project will make the area more attractive to visitors and local residents, and would not impede efforts to attract investment to the area, or create a climate for disinvestment.

CONCLUSION

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

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

According to the *CEQR Technical Manual*, a significant adverse impact may occur if an action would measurably diminish the viability of a specific industry that has substantial economic value to the city's economy. An example as cited in the *CEQR Technical Manual* would be new regulations that prohibit or restrict the use of certain processes that are critical to certain industries. The following preliminary analysis is illustrated based on screening criteria presented in Section 323 of the *CEQR Technical Manual*.

1. Would the proposed actions significantly affect business conditions in any industry of any category of business within or outside the study areas?

Businesses that could be indirectly displaced by the proposed project are limited in number and are not concentrated in any particular industry. In addition to not having direct business displacement, any indirect business displacement occurring as a result of the proposed project would not have the potential to significantly affect business conditions in any particular industry or category of business. As previously stated, businesses most vulnerable to indirect displacement due to increased rent are those less compatible with existing market trends. These would consist of manufacturing and industrial land uses, which are less dependent on the increasing residential population in the area. Manufacturing businesses that are not located within areas zoned for manufacturing use (see Figures 3-2 and 3-3) would fall into this category.

[1] The number of employees is based on the following assumptions: 3 employees per 1,000 sf of retail, 3 employees per 1,000 sf of community facility space, 1 employee per 25 residential units, 1 employee per 250 sf of office, and 1 employee per 50 parking spaces.

Some examples of businesses that could be vulnerable to indirect displacement consist of scrap metal dealers, storage facilities, construction-related businesses and food distribution establishments.

2. Would the proposed actions indirectly substantially reduce employment or impair the economic viability in the industry or category of businesses?

While there would be no direct business displacement, the proposed project may cause a limited amount of indirect business displacement, though such displacement would not be concentrated in any particular industry.

CONCLUSION

Based on the preliminary assessment discussed above, the proposed project would not have the potential to have an adverse impact on specific industries within the study areas. The proposed project would not directly displace any businesses. In addition, because businesses are not concentrated in any particular industry, there would be limited indirect business displacement. Therefore, there would be no significant impact on specific industries.

D. DETAILED ANALYSIS OF INDIRECT RESIDENTIAL DISPLACEMENT

The preliminary assessment for indirect residential displacement indicated the need for further investigation into the proposed project's potential to result in significant adverse impacts. Therefore, a detailed analysis has been performed. According to Section 332.1 of the *CEQR Technical Manual*, the approach to a detailed analysis of indirect residential displacement is similar to that of the preliminary assessment but requires more in-depth analysis of census information and may include field surveys. 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 project on prevailing socioeconomic trends and, thus, its impact on the identified populations at risk.

In accordance with the *CEQR Technical Manual*, this analysis is divided into three sections: Existing Conditions, including detailed population and housing characteristics; conditions in the Future Without the Proposed Project; and Future with the Proposed Project, which describes conditions in the future with the proposed project and draws conclusions about whether the proposed project would cause significant adverse indirect residential displacement impacts.

EXISTING CONDITIONS

This section describes the population and housing characteristics of the study areas as it relates to potential indirect residential displacement. It outlines trend data since 1989, and compares study area characteristics with the characteristics of Brooklyn and New York City as a whole.

POPULATION

According to the Census, in 2000 the combined population of the primary and secondary study areas was approximately 25,856 (see Table 4-2). The study area's population increased by 12.8 percent from 1990 to 2000—growing at a faster rate than both Brooklyn (7.2 percent) and New York City as a whole (9.4 percent).

Table 4-2
Population: 1990, 2000, and Estimated Existing Condition

	1990	2000	Estimated Existing	Percent Change 1990 to 2000	Percent Change Since 2000
Primary Study Area	6,810	7,254	9,083	6.5%	25.2%
Secondary Study Area	16,118	18,602	19,757	15.4%	6.2%
Area Total	22,928	25,856	28,840	12.8%	11.5%
Brooklyn	2,300,664	2,465,326	2,556,598	7.2%	3.7%
New York City	7,322,564	8,008,278	8,363,710	9.4%	4.4%

Notes:
Existing condition study area population was estimated by applying the 2000 average household size and the 2000 vacancy rate of the primary and secondary study areas as a whole to the estimated number of housing units added between 2001 and 2009.
Existing condition New York City population estimate is from the U.S. Census Bureau's "Table 1: Annual Estimates of the Population for Incorporated Places Over 100,000, Ranked by July 1, 2008 Population: April 1, 2000 to July 1, 2008 (Release Date: July 1, 2009); 2008 Kings County population estimate is from the U.S. Census Bureau's "Table 1: Annual Estimates of the Population for Counties of New York: April 1, 2000 to July 1, 2008 (Release Date: March 19, 2009)."
Sources:
U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census Summary File 1; Real Property Assessment Data (2009) database; AKRF, Inc.

Since 2000, approximately 2,984 residents were added to the primary and secondary study areas, increasing the population by 11.5 percent to approximately 28,840 residents (see Table 4-2). The existing population is based on applying the 2000 average household size and vacancy rates of the primary and secondary study area as a whole to the number of dwelling units built after the 2000 Census.

As the population of the study area increased between 1990 and 2000, its age distribution shifted, yielding a population with a higher proportion of potential workers of a younger age. During this time period, the 18 to 29 age group had the greatest increase in share. In the study area, this group increased by 3.9 percentage points from 20.4 percent in 1990 to 24.3 percent in 2000 (see Table 4-3).

Table 4-3
Age Distribution as Percent of Total Population: 1990 and 2000

	1990						2000					
	0-17	18-29	30-34	35-49	50-64	65+	0-17	18-29	30-34	35-49	50-64	65+
Primary Study Area	31.5%	22.1%	10.0%	20.7%	10.3%	5.5%	22.3%	25.4%	12.0%	21.9%	12.3%	6.1%
Secondary Study Area	32.1%	19.7%	8.4%	18.5%	11.8%	9.5%	31.6%	23.9%	8.3%	17.8%	10.4%	7.9%
Area Total	31.9%	20.4%	8.9%	19.2%	11.3%	8.3%	29.0%	24.3%	9.4%	18.9%	11.0%	7.4%
Brooklyn	26.3%	19.7%	8.7%	19.9%	13.0%	12.4%	26.9%	18.3%	7.8%	21.5%	14.1%	11.5%
New York City	23.0%	20.1%	9.2%	20.9%	13.7%	13.0%	24.2%	18.5%	8.6%	22.4%	14.5%	11.7%

Sources: U.S. Bureau of the Census, 1990 and 2000 Census: Summary File 1.

While the share of young workers increased in the study area, the share of children decreased (see Table 4-3). The 0 to 17 age group decreased in share by 2.9 percentage points in the study area during this time period. This trend was more pronounced in the primary study area, where the proportion of persons in this age group decreased by 9.2 percentage points from 31.5 percent in 1990 to 22.3 percent in 2000.

Project Site: Population

There are no residential units located on the project site; therefore, an analysis of population is not needed.

Primary Study Area: Population

The 2000 Census counted approximately 7,254 residents in the primary study area. The population increased by 6.5 percent between 1990 and 2000—lower than the rate of growth in Brooklyn (7.2 percent) and New York City (9.4 percent).

Since 2000, an estimated 690 housing units were added to the primary study area. Approximately 30.6 percent of these units (or 211 units) were at Schaefer Landing. Assuming an average household size of 2.79 persons per household (the year 2000 average for households within the primary and secondary study areas), and that the occupancy rate in the primary and secondary study areas remained at 95.0 percent, the population in the primary study area increased by 25.2 percent (or 1,829 residents) to approximately 9,083 residents. This growth rate was significantly higher than the estimated growth rates in Brooklyn (3.7 percent) and New York City (4.4 percent).

Secondary Study Area: Population

In 2000, the secondary study area contained 18,602 residents, an increase of 15.4 percent over the 1990 population. This growth rate was 2.4 times higher than the growth rate in the primary study area. It was also substantially higher than the growth rates in Brooklyn and New York City.

Approximately 436 housing units were added to the secondary study area since 2000. Applying an average household size of 2.79 and the occupancy rate of 95.0 percent to the new residential units, the population in the secondary study area increased by 1,155 residents (or 6.2 percent) since 2000. Though lower than the growth rate in the primary study area, the growth rate in the secondary study area was higher compared to Brooklyn (3.7 percent) and New York City (4.4 percent).

HOUSEHOLDS AND INCOME

The study area contained a total of 9,230 households in 2000, with an average household size of 2.79—slightly higher than the citywide average (2.59). Income characteristics for the study area population are described below using two measures: median household income and poverty status.

Data on income and poverty indicate that there was an influx of higher income households in the study area between 1989 and 1999. During this time period, the study area's median household income increased by 20.8 percent, from $30,067 in 1989 to $36,309 in 1999 in constant dollar terms. In comparison, the median household incomes in the county and city decreased by 7.7 percent and 5.3 percent, respectively.

In addition, the portion of persons living below the poverty level in the study area decreased between 1989 and 1999. In 1989, 40.6 percent of the population had incomes below the poverty level. However, in 1999, 35.5 percent of the population had incomes below the poverty level.

Project Site: Households and Income

The project site does not contain any households; therefore, an assessment of household income is not needed.

Primary Study Area: Households and Income

The primary study area contained approximately 2,853 households in 2000—an increase of 27.0 percent from 2,247 households in 1990 (see Table 4-4). The median household income for the primary study area increased by 48.4 percent: from $27,687 in 1989 to $41,084 in 1999. At the same time, the poverty rate, defined as the percent of population with incomes below the established poverty level,[1] in this area decreased by 15.3 percentage points to 27.1 percent in 1999.

Table 4-4
Household and Income Characteristics

	Household Characteristics				Income Characteristics			
	Total Households		Average Household Size		Median Household Income[1]		Poverty Status[2]	
	1990	2000	1990	2000	1989	1999	1989	1999
Primary Study Area	2,247	2,853	3.03	2.52	$27,687	$41,084	42.4%	27.1%
Secondary Study Area	5,367	6,377	3.00	2.91	$31,007	$34,110	39.9%	38.7%
Total Area	7,614	9,230	3.01	2.79	$30,067	$36,309	40.6%	35.5%
Brooklyn	828,199	880,727	2.74	2.75	$46,891	$43,289	22.7%	25.1%
New York City	2,819,401	3,021,588	2.54	2.59	$54,448	$51,585	19.3%	21.3%

Notes:
[1] Median household income represents a weighted average of the median incomes of the census block groups in a given area. Median household income is presented in constant 2009 dollars based on the U.S. Department of Labor Bureau of Labor Statistics' August 2009 Consumer Price Index for all Urban Consumers for New York-Northern New Jersey-Long Island.
[2] Percent of population with incomes below established poverty level. The Census Bureau uses a set of money income thresholds that vary by family size and composition to detect who is in poverty. 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." The official poverty thresholds do not vary geographically, but they are updated annually for inflation using the Consumer Price Index.
Sources: U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census, Summary File 1 and Summary File 3.

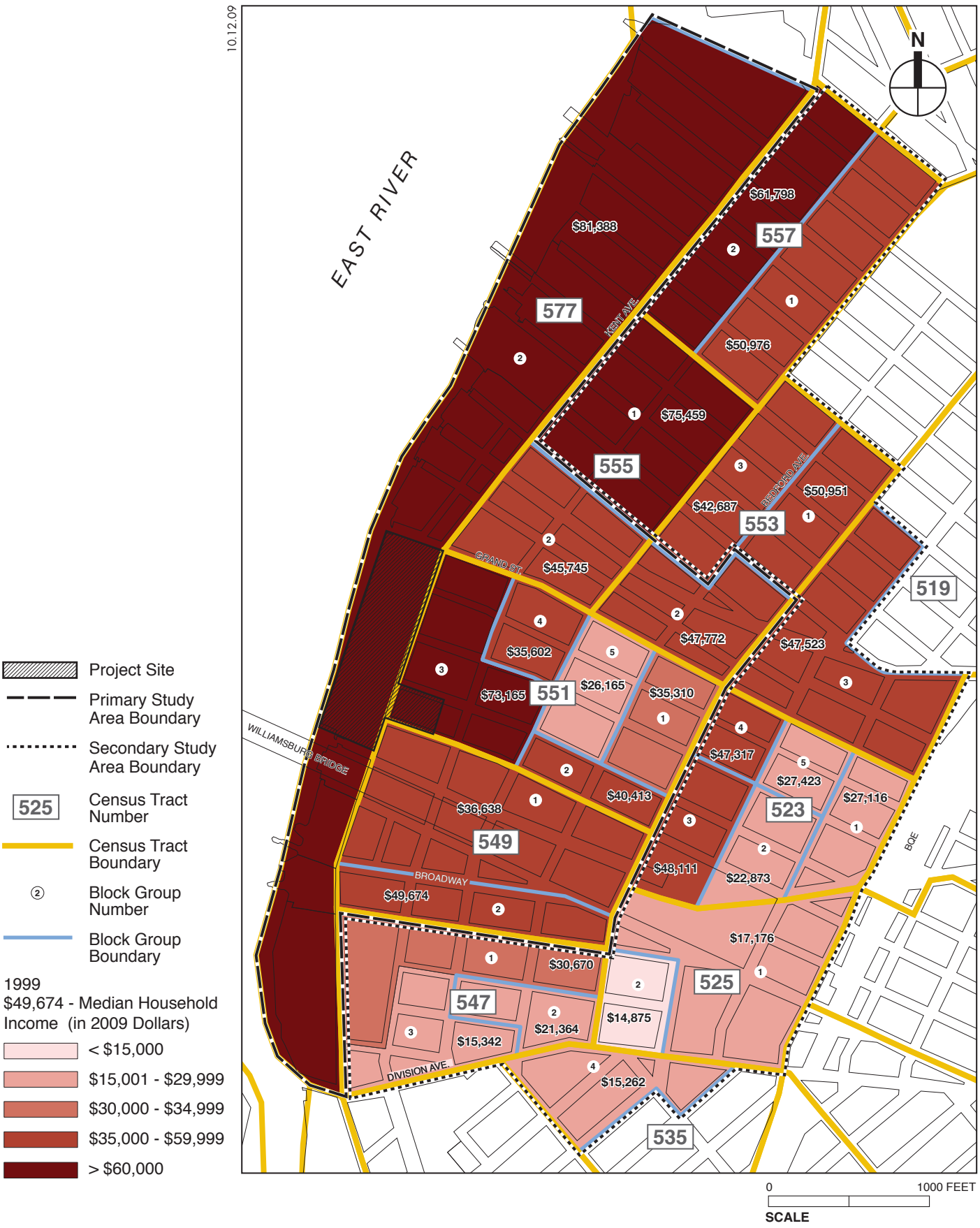
As shown in Figures 4-2 and 4-3, the block group along the East River and the block group in the central-west portion of the study area have higher incomes and lower poverty rates than the rest of the primary study area. Census block groups in the remainder of the primary study area generally have incomes between $35,000 and $59,999. All census block groups in the primary study area have poverty rates below 50 percent. The census block groups with higher poverty rates are generally located in the southern portion (Block Groups 1 and 2 of Census Tract 549) and central-east portion of the study area (Block Groups 2, 4, and 5 of Census Tract 551).

Secondary Study Area: Households and Income

There were approximately 6,377 households in the secondary study area in 2000, an increase of 18.8 percent from 5,367 households in 1990 (see Table 4-4). At 2.91 persons per household, the average household size is higher than the average for the primary study area (2.52 persons per household), Brooklyn (2.75 persons per household), and New York City (2.59 persons per household).

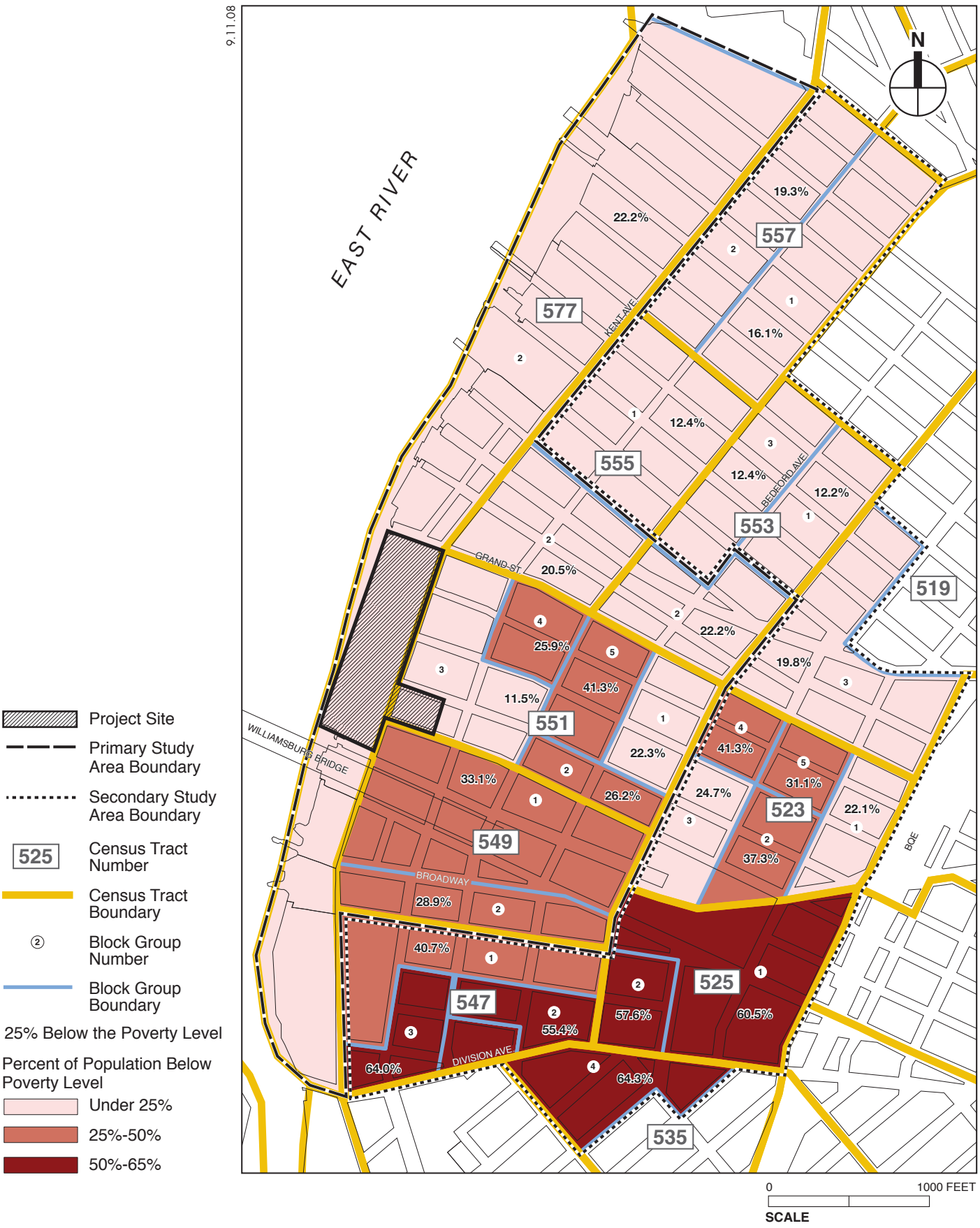
In 1999, the median household income in the secondary study area ($34,110) was lower than the median household income in the primary study area ($41,084), Brooklyn ($43,289), and New York City ($51,585). This income disparity could be attributable to the public housing complexes in this area: Jonathan Williams Plaza at 352 Roebling Street and the Berry Street-South 9th Street development at 440 Berry Street. There are 577 apartments in Jonathan Williams Plaza's five residential buildings, housing 1,377 people. The Berry Street-South 9th

[1] The Census Bureau uses a set of money income thresholds that vary by family size and composition to detect who is in poverty. 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." The official poverty thresholds do not vary geographically, but they are updated annually for inflation using the Consumer Price Index.



1999 Median Household Income

Figure 4-2



Percent of Population Below Poverty Level

Figure 4-3

Street development has 150 apartments in 4 residential buildings and houses 458 persons.[1] As shown in Figure 4-2, the lower incomes are concentrated south of the Williamsburg Bridge, where three block groups have incomes below $16,000 (Block Group 3 of Census Tract 547, Block Group 4 of Census Tract 535, and Block Group 2 of Census Tract 525).

The block groups south of the Williamsburg Bridge also have higher concentrations of people with incomes below the poverty level compared to the rest of the study area. There are five block groups where more than 50 percent of the population is below poverty level: Block Groups 2 and 3 of Census Tract 547, Block Groups 1 and 2 of Census Tract 525, and Block Group 4 of Census Tract 535. In contrast, poverty rates in the northern portion of the secondary study area are below 25 percent.

HOUSING

The number of housing units in the study area increased at a faster rate between 1990 and 2000 compared to Brooklyn and New York City as a whole. In 2000, the study area had 9,717 housing units, which was a 17.7 percent increase from 8,253 housing units in 1990 (see Table 4-5). In comparison, the growth rates in Brooklyn and New York City were approximately 10 percentage points lower, at 6.5 percent and 7.0 percent, respectively.

Table 4-5
Housing Units: 1990, 2000, and Estimated Existing Condition

	1990	2000	Estimated Existing[1]	Percent Change 1990 to 2000	Percent Change Since 2000
Primary Study Area	2,446	2,984	3,674	22.0%	23.1%
Secondary Study Area	5,807	6,733	7,169	15.9%	6.5%
Area Total	8,253	9,717	10,843	17.7%	11.6%
Brooklyn	873,671	930,866	967,738	6.5%	4.0%
New York City	2,992,169	3,200,912	3,350,887	7.0%	4.7%

Notes: Existing conditions study area housing units includes any housing units from the RPAD 2009 database that were built between 2001 and 2009.
[1]Annual Estimates for Housing Units for Brooklyn and New York City are for July 1, 2008, as this is the most recent data currently available.
Sources: U.S. Department of Commerce, Bureau of Census, 1990 and 2000 Census Summary File 1; RPAD 2009 database; Annual Estimates of Housing Units for Counties in New York (release date: August 6, 2009); AKRF, Inc.

Since 2000, approximately 1,126 housing units were added to the study area, bringing the total number of existing housing units to 10,843 (see Table 4-5).

In 1990, the vacancy rate in the study area was 7.7 percent (see Table 4-6), higher than the vacancy rate in Brooklyn (5.2 percent) and New York City (5.8 percent). However, in 2000, the study area's vacancy rate decreased by 2.7 percentage points to 5.0 percent, making it comparable to the borough and citywide vacancy rates (5.4 percent and 5.6 percent, respectively).

Based on 2000 Census data, the housing stock in the study area is generally older than the housing in the borough and in the city, with 49.7 percent of the housing built prior to 1939. In comparison, 36.0 percent was built during this time frame in New York City (see Table 4-7). In particular, the primary study area had a high concentration of older housing units, with 57.1 percent with build years prior to 1939. Despite this concentration of older units, there has been significant construction of residential units in the study area since the 2000 Census.

[1] New York Housing Authority, http://gis.nyc.gov/nycha/im/NychaStart.do? (Accessed November 14, 2007).

Table 4-6
Vacancy Rates: 1990 and 2000

	Vacant Housing Units			Percent Vacant	
	1990	2000	% Change	1990	2000
Primary Study Area	199	131	-34.2%	8.1%	4.4%
Secondary Study Area	440	356	-19.1%	7.6%	5.3%
Area Total	639	487	-23.8%	7.7%	5.0%
Brooklyn	45,472	50,139	10.3%	5.2%	5.4%
New York City	172,768	179,324	3.8%	5.8%	5.6%

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

Table 4-7
Housing Units by Year Built in 2000

	Built 1939 or Earlier		Built 1940 to 1959		Built 1960 to 1979		Built 1980 to 2000		Total Housing Units	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Primary Study Area	1,723	57.1%	716	23.7%	251	8.3%	325	10.8%	3,015	100.0%
Secondary Study Area	3,150	46.4%	1,774	26.1%	1,265	18.6%	604	8.9%	6,793	100.0%
Area Total	4,873	49.7%	2,490	25.4%	1,516	15.5%	929	9.5%	9,808	100.0%
Brooklyn	397,460	42.7%	283,135	30.4%	190,689	20.5%	59,582	6.4%	930,866	100.0%
New York City	1,151,286	36.0%	998,069	31.2%	762,214	23.8%	289,343	9.0%	3,200,912	100.0%

Notes: The number of housing units in this table presents sample data from Summary File 3. However, the total number of housing units in Table 4-5, "Housing Units: 1990, 2000, Est. 2005" presents 100 percent data from Summary File 1.
Sources: U.S. Department of Commerce, Bureau of Census, 1990 and 2000 Census, Summary File 3.

Of the 9,230 occupied housing units in the study area in 2000, 90.7 percent were renter-occupied and 9.3 percent were owner-occupied. Borough and citywide owner-occupancy rates were about three times higher at 27.1 percent and 30.2 percent, respectively (see Table 4-8).

Table 4-8
Housing Tenure

	Owner-Occupied Housing Units				Renter-Occupied Housing Units			
	1990		2000		1990		2000	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Primary Study Area	235	10.5%	335	11.7%	2,012	89.5%	2,518	88.3%
Secondary Study Area	479	8.9%	523	8.2%	4,888	91.1%	5,854	91.8%
Area Total	714	9.4%	858	9.3%	6,900	90.6%	8,372	90.7%
Brooklyn	214,788	25.9%	238,367	27.1%	613,411	74.1%	642,360	72.9%
New York City	807,378	28.6%	912,296	30.2%	2,012,023	71.4%	2,109,292	69.8%

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

In 2000, the study area's home values were slightly higher than home values in Brooklyn and New York City as a whole. The study area had a median home value of $304,745, which was 1.8 percent higher than Brooklyn's median home value and 5.5 percent higher than New York City's median home value (see Table 4-9).

Table 4-9
Housing Characteristics

	Median Home Value[1]			Median Contract Rent[1]		
	19902	2000	Percent Change	1990	2000	Percent Change
Primary Study Area	NA	$311,768	NA	$593	$791	33.4%
Secondary Study Area	NA	$300,765	NA	$679	$697	2.7%
Area Total	NA	$304,745	NA	$545	$725	33.1%
Brooklyn	NA	$299,450	NA	$736	$811	10.1%
New York City	NA	$288,998	NA	$771	$844	9.4%

Notes:
[1] All dollars presented in constant 2009 dollars using the US Department of Labor's August 2009 Consumer Price Index for the "New York-Northern New Jersey-Long Island" area.
[2] The 1990 Median home value is not reported because the 1990 value was based on "specified owner-occupied housing units" only, while the 2000 median was based on all owner-occupied housing units. The two data sets are not comparable.
Sources:
U.S. Department of Commerce, Bureau of Census, 1990 and 2000 Census, Summary File 1 and Summary File 3.

However, median contract rents in the study area were lower than borough and citywide rents. Although rents were lower in the study area in 2000 compared to Brooklyn and New York City, the study area's median contract rent increased by 33.1 percent between 1990 and 2000—approximately three times faster than the growth rates in Brooklyn (10.1 percent) and New York City (9.4 percent).

Project Site: Housing

The project site does not contain any households; therefore, an assessment of housing characteristics is not needed.

Primary Study Area: Housing

According to the 2000 Census, the primary study area included approximately 2,984 housing units, a 22 percent increase from 1990. Nearly 90 percent of these units were renter-occupied (88.3 percent). The median contract rent increased by 33.4 percent from $593 per month in 1990 to $791 per month in 2000. The median housing value was $311,768, which was slightly higher than the secondary study area ($300,765).

In 1990, the vacancy rate in the primary study area was 8.1 percent, 2.9 percentage points higher than Brooklyn's vacancy rate and 2.3 percentage points higher than New York City's vacancy rate. However, in 2000, the primary study area's vacancy rate decreased to 4.4 percent, and was lower than the vacancy rates in Brooklyn (5.5 percent) and New York City (5.6 percent).

Since the 2000 Census, the primary study area gained approximately 690 dwelling units, increasing the number of housing units by 23.1 percent to 3,764 units. This growth rate was significantly higher than the growth rates in Brooklyn and New York City.

Secondary Study Area: Housing

The secondary study area contained approximately 6,733 housing units in 2000. Over 90 percent of all housing units in 1990 and 2000 were renter-occupied. The median contract rent remained fairly constant between 1990 and 2000, increasing by 2.7 percent from $679 per month to $697 per month.

The vacancy rate in the secondary study area followed a similar trend as the vacancy rate in the primary study area. In 1990, the vacancy rate was higher than the vacancy rate in Brooklyn and New York City. However, it decreased to 5.3 percent in 2000, making it comparable to the vacancy rates in Brooklyn and New York City.

The housing stock in the secondary study area increased by 6.5 percent (or by approximately 436 dwelling units) since the 2000 Census. This growth rate was 16.6 percentage points lower than the growth rate in the primary study area. However, it was faster than the growth rates in Brooklyn and New York City.

RECENT RESIDENTIAL TRENDS

Median home value data reported in the census are based on respondents' estimates of how much their properties would sell for if they were for sale, and the median contract rent includes data on rent-regulated and rent-controlled apartments. Therefore, these data do not always accurately reflect true market rental rates and sale prices. In order to develop a more accurate picture of the current residential real estate market in the primary and secondary study areas, the census data are supplemented with information from local brokerage firms, local newspapers, and internet sites.

Between 2000 and 2008, as residential rental rates and sales prices in Manhattan escalated, Williamsburg became increasingly popular as a conveniently located, lower-cost residential community. As of the *Year-End 2008 Corcoran Report*, the median sale price for condominium units in Williamsburg was $684,000—7.7 percent higher than the median for Brooklyn as a whole ($635,000). According to Corcoran, the median sales price for condos in Williamsburg was higher than the median sales price in Park Slope ($580,000), Bedford-Stuyvesant ($323,000), Fort Greene and Clinton Hill ($631,000), and Cobble Hill and Carroll Gardens ($670,000). However, the median sales price in Williamsburg was lower than in two neighborhoods: Brooklyn Heights ($780,000) and Boerum Hill ($720,000).

Williamsburg's popularity, along with the potential for waterfront and Manhattan skyline views throughout many areas of Williamsburg, has spurred the development of several large luxury condominium projects over the past several years. The successful conversion of the Gretsch Building, a 10-story former factory at 60 Broadway which now includes 130 residential lofts, set the stage for other residential conversions and new construction. At the time the Gretsch building was first marketed in 2004, the units sold for between $309,000 and $1.27 million for studio to three-bedroom apartments.[1]

Other conversions and new construction projects fueled an escalation in sales prices in Williamsburg through 2007 and 2008; prices have since declined with the onset of the recession. For example, a 1,843-square-foot unit at the Smith Gray building sold for $1.3 million in June 2008. With the effects of the recession, a similar-sized unit at the Smith Gray building (1,845 sf) sold for $960,000 in April 2009, 26.2 percent lower than the June 2008 sales price. At Schaefer Landing, a 1,270-square-foot unit sold for $925,000 in May 2008.[2] A similar-sized unit (1,246 sf) at Schaefer Landing sold for $660,000 in April 2009, 28.7 percent lower than the May 2008 sales price. In addition to the decrease in sales prices, there has also been a decrease in the number of home sales in Brooklyn during the recession. Prudential Douglas Elliman's Q1 –

[1] The Real Deal: Expanding Brooklyn: Six Acres on the Cusp, February 2004 (Accessed May 23, 2007).

[2] Trulia.com (Accessed August 4, 2008).

2009 Brooklyn Market Overview states that home sales across Brooklyn were down 57 percent from the same period a year ago.[1] Trulia.com also shows declining home sales in 2009 compared to 2008. According to Trulia.com, third quarter 2009 home sales across Brooklyn were down 20 percent compared to third quarter 2008.[2]

Although the recession has caused sales prices and sales volumes to decrease from 2008 levels, current sales prices, particularly for newly-constructed or converted buildings, remain significantly higher than the 2000 median home value reported by the census. According to a sample of 34 sales listed on Trulia.com, the median sales price for sales in the study area between January and August 2009 was $530,000. This is a 73.9 percent increase from median home value reported in the 2000 Census, which was $304,745.[3] The lowest sales prices were for units located in the southern portion of the study area. At 109 South 8th Street, a 1,386-square-foot unit sold for $193,096, and a 1,467-square-foot unit at 97 Morton Street sold for $222,500. Higher sales prices were for recently built luxury condominiums. Three units between 1,845 sf and 2,221 sf in the Smith Gray Building at 138 Broadway recently sold for between $890,000 and $1.55 million. Three units between 1,246 sf and 1,414 sf in Schaefer Landing, a building on the East River that was built in 2005, recently sold for between $600,000 and $835,000. Recent sales in the Gretsch building include a 1,273-square-foot unit sold for $1.02 million in March 2009 and a 1,803-square-foot unit sold for $1.38 million in July 2009.

Rental rates in Williamsburg are also substantially higher than those reported by the 2000 Census. A search of real estate listings in Williamsburg in September 2009 yielded rental rates of between $1,400 and $2,800 per month for one-bedroom apartments; between $2,100 and $4,300 for two-bedroom apartments (with the lower end reflective of more traditional inland apartments and the higher end of loft-style apartments); and between $3,500 and $6,975 for three-bedroom apartments (again, with the lower end reflective of more traditional inland apartments and the higher end of loft-style apartments).[4] Demand for rental units is high around the first three stops of the L train, particularly at the Bedford Avenue L station at North 7th Street.

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

[1] Sales data obtained from Prudential Douglas Elliman: Brooklyn Market Overview Quarter 1 – 2009 (Accessed October 7, 2009).

[2] Sales data obtained from Trulia: Brooklyn Real Estate Overview (Accessed October 8, 2009).

[3] Median sales prices were obtained on Trulia.com on September 9, 2009. Sales dates ranged from June to August 2009.

[4] Rental listings were obtained from http://aptsandlofts.com, www.corcoran.com, and www.prudentialelliman.com on September 10, 2009.

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 rent stabilization if it becomes vacant and could be offered at a legal regulated rent of $2,000 or more, or if the legal rent is $2,000 and the apartment is occupied by tenants whose total annual household income exceeded $175,000 for each of the past two years.[1]

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 non-Section 236 Mitchell-Lama apartments (not covered by the U.S. Department of Housing and Urban Development [HUD]), eligibility is based on the area median income as determined by HUD. The income requirements vary by household size. For instance, the income limits are $49,625.00 for a 1-person household, $56,687.50 for a 2-person household, $63,812.50 for a 3-person household, and $70,875.00 for a 4-person household.[2] There are two Mitchell Lama buildings in the study area: Northside Gardens at 114 North 5th Street and Roberto Clemente Plaza at 60 Division Avenue.

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) and most are funded in large part by HUD. There are two public housing complexes located in the secondary study area. The Berry Street-South 9th Street development, located at 440 Berry Street, has 150 apartments and houses 458 persons. Jonathan Williams Plaza is located at 325 Roebling Street, and has 577 apartments that house 1,377 people.[3] In 2000, public housing represented approximately 10.8 percent of all housing units in the secondary study area.

421-a buildings: According to HPD, newly constructed multiple dwelling buildings with four or more units are eligible for 421-a tax abatement status. Developments in Greenpoint/Williamsburg are required to provide affordable housing in exchange for receiving 421-a tax benefits. Units must remain rent stabilized for the period during which units receive real estate tax benefits. In Greenpoint-Williamsburg, waterfront developments are eligible for a

[1] Rent regulations obtained from the New York State Division of Housing and Community Renewal, Office of Rent Administration and the New York City Rent Guidelines Board.

[2] Department of Housing Preservation and Development

[3] New York City Housing Authority

25-year tax exemption if either 20 percent of the on-site units are provided for low-income households or if 25 percent of the on-site units are provided for low- and moderate-income households. In addition, a cumulative total of up to 200 off-site affordable units can generate 15-year 421-a tax benefits for developments on the Greenpoint-Williamsburg waterfront. In upland areas of Greenpoint-Williamsburg, if at least 20 percent of the units in a building are affordable to low-income households, the building can receive 25-year 421-a tax benefits. Initial rents are set by HPD according to a formula that accounts for development costs and operating expenses. Over the course of the abatement period, landlords may increase rents by 2.2 percent of the original rent per year plus any stabilized rent increases approved by the Rent Guidelines Board.

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 which 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.

POPULATION CURRENTLY AT RISK OF INDIRECT DISPLACEMENT

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, and whose incomes or poverty status indicate that they could not support substantial rent increases were they to occur.

This section of the chapter presents information needed to determine whether the study area contains a population that would be at risk of indirect displacement. This information (which includes a Census tract-level analysis of the study area's economic characteristics along with the estimated number of unprotected units) is followed by an analysis of the "population at risk."[1] The methodology for determining whether and where the population at risk is located is presented below, under "Identifying Population at Risk."

UNPROTECTED UNITS

The populations potentially vulnerable to secondary displacement pressure are those with low and moderate incomes living in buildings not protected by rent control, rent stabilization, or other publicly assisted housing programs.

Comprehensive counts of rent-regulated housing are available only for geographic areas that are larger than the study areas. Therefore, in accordance with *CEQR Technical Manual* guidelines, the number of unregulated units was estimated based on data obtained from RPAD and Census data. Table 4-10 provides calculations on the numbers of unprotected housing units in the study areas, based on information available in RPAD, from NYCHA, and from the Census, to identify the number of residential units in the study areas that are in buildings that meet the following criteria, and therefore are assumed to be unprotected from rent increases: 1) they are privately owned buildings (i.e., no public housing units); 2) the buildings contain rental units; 3) they are in buildings that are not old enough to be subject to rent control or rent stabilization; and/or

[1] The population at risk analysis is done at census tract level since the average household income for renters by size of building is not available at the block group level.

4) they are in buildings too small to be subject to rent control or rent stabilization.[1] The total number of residential buildings with one to four units and five or more units built after 1974 in the study areas was determined using RPAD.

Based on the calculations shown in Table 4-10**,** the primary study area has a total of approximately 3,594 renter-occupied units, of which 1,714 are currently unprotected. This number of renter-occupied units represents approximately 47.7 percent of the total of renter-occupied units in the primary study area.

The secondary study area contains an estimated 1,969 unprotected renter-occupied units, representing about 29.2 percent of the total renter-occupied housing units in the secondary study area. Block Group 1, Census Tract 547 has the highest share of unprotected renter-occupied units in the secondary study area (94.1 percent).

Primary Study Area: Unprotected Units

In the primary study area, approximately 47.7 percent of renter-occupied units are not likely to be protected by rent regulations (see Table 4-10).

The methodology detailed above identified 215 renter-occupied units as unprotected within Block Group 2 of Census Tract 577. This amount represents approximately 12.5 percent of unprotected units estimated in the primary study area (see Table 4-11). However, it should be noted that for this Block Group, the methodology over-predicts the number of unprotected and total rental units.[2] Discounting this Block Group, there are five block groups in the primary study area in which unprotected units represent half, or more than half, of the total renter-occupied units in the block group.

The lowest number of unprotected rental units in the primary study area is in Block Group 4 of Census Tract 551, which has 49 renter-occupied units that are unprotected.

Secondary Study Area: Unprotected Units

The secondary study area contains 1,969 renter-occupied units that are unprotected, representing 53.5 percent of the total renter-occupied units in the primary and secondary study areas.

Block Group 3 of Census Tract 519 has the highest number of renter-occupied units in the secondary study area that are unprotected (305), representing 15.5 percent of total unprotected units in the secondary study area. Block Group 1 of Census Tract 547 follows with 230 unprotected rental units, representing 11.7 percent of renter-occupied units that are unprotected in the secondary study area. Block Group 2 of Census Tract 557 and Block Group 2 of Census Tract 525 contain the lowest amount of renter-occupied units that are unprotected—42 and 58 units, respectively.

Out of 17 block groups in the secondary study area, 50 percent or more of renter-occupied units are unprotected in three block groups.

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[1] There may be dwelling units that meet these criteria but are, in fact, protected from rent increases through programs such as Section 8 housing and 421-a or 420-c tax abatement. However, the analysis conservatively assumes that all units meeting the criteria are unprotected.

[2] At the time of the 2000 Census, most of Block Group 2 of Census Tract 577 was zoned for manufacturing and included very few dwelling units. Most of the 215 units identified in the methodology and described in Table 4-10 were built since 2000 and include primarily condominiums and affordable housing (e.g., Schaefer Landing).

Table 4-10
Unprotected Rental Housing Units in Primary and Secondary Study Areas

Row #			Primary Study Area	Secondary Study Area	Total	Notes
1	**Base of Unprotected Units: Units in Buildings with 1 to 5 Units**	Number of units in buildings with 1 to 4 units	1,042	1,595	2,637	Derived from RPAD
2		Number of renter-occupied units in buildings with 1 to 4 units	815	1,241	2,056	(Row 1) * (Renter occupancy rate for buildings with 1 to 4 units)
3		Number of units in buildings with 5 units	55	170	225	Derived from RPAD
4		Number of renter-occupied units in buildings with 5 units	49	164	212	(Row 3) * (Renter occupancy rate for buildings with 5 to 9 units)
5		Total number of renter-occupied units in buildings with 1 to 5 units	864	1,405	2,269	(Row 2) + (Row 4)
6	**Additional Unprotected Units: Units in Buildings Built After January 1, 1974**	Total units (renter- and owner-occupied) built between 1974 and 2009	949	867	1,816	Derived from RPAD
7		Total units (renter- and owner-occupied) built between 1974 and 2009 and in buildings with 5 units or less	75	138	213	Derived from RPAD
8		Public housing units built between 1974 and 2009	0	150	150	Derived from RPAD
9		Total units (owner & renter-occupied) in buildings with more than 5 units, built after January 1, 1974	874	579	1,453	(Row 6) - (Row 7) - (Row 8) This number was derived by taking the total number of units built between 1974 and 2007, subtracting out public housing units built between 1974 and 2007, and subtracting those in buildings with 5 or fewer units (to avoid double counting).
10		Number of rental units in buildings with more than 5 units, built after January 1, 1974	850	564	1,414	(Row 9) * (renter occupancy rate for buildings with 5+ units) This row filters out owner-occupied units by applying the renter-occupancy rate for each census block group.
11	**Total Unprotected Rental Units**	Total number of renter-occupied units that are unprotected	1,714	1,969	3,683	(Row 5) + (Row 10)
12		Total number of residential units	4,027	7,402	11,429	Derived from RPAD
13		Total number of renter-occupied units	3,594	6,750	10,344	(Row 12) * (renter occupancy rate for all units)
14		Percent of renter-occupied units that are unprotected	47.7%	29.2%	35.6%	(Row 11) / (Row 13)

Sources: New York City Department of Finance Real Property Assessment Data (RPAD) 2009 database, Census 2000, AKRF, Inc.

Table 4-11
Unprotected Housing Units by Census Block Group

Tract	Block Group	Total Number of Renter-Occupied Units	Unprotected Housing Units			Percent of Total Unprotected Units	Percent of Renter-Occupied Units That Are Unprotected
			Rental Units in Buildings with 1 to 5 Units	Rental Units in Buildings with More Than 5 Units Built After Jan. 1, 1974	Total Renter-Occupied Units That Are Unprotected		
Primary Study Area							
549	1	394	183	32	215	12.6%	54.7%
549	2	566	51	238	289	16.9%	51.1%
551	1	562	112	114	226	13.2%	40.2%
551	2	527	68	14	82	4.8%	15.6%
551	3	150	96	-	96	5.6%	64.2%
551	4	110	49	-	49	2.9%	44.4%
551	5	513	131	115	246	14.3%	47.9%
553	2	365	68	127	195	11.4%	53.4%
555	2	192	101	-	101	5.9%	52.5%
577	2	215[1]	5[1]	210[1]	215[1]	12.5%[1]	100.0%[1]
Total		**3,594**	**864**	**850**	**1,714**	**100.0%**	**47.7%**
Secondary Study Area							
519	3	624	250	55	305	15.5%	48.8%
523	1	666	83	44	127	6.4%	19.1%
523	2	481	74	18	92	4.7%	19.1%
523	3	436	31	57	88	4.5%	20.1%
523	4	216	63	38	101	5.1%	46.9%
523	5	362	37	53	90	4.6%	24.9%
525	1	799	83	40	123	6.2%	15.4%
525	2	408	50	8	58	3.0%	14.3%
535	4	327	156	13	170	8.6%	51.9%
547	1	244	63	167	230	11.7%	94.1%
547	2	306	35	49	84	4.3%	27.5%
547	3	320	57	7	64	3.2%	19.9%
553	1	381	91	8	99	5.0%	25.9%
553	3	288	139	7	147	7.4%	50.9%
555	1	294	76	-	76	3.9%	26.0%
557	1	461	74	-	74	3.8%	16.1%
557	2	139	42	-	42	2.1%	30.5%
Total		**6,750**	**1,405**	**564**	**1,969**	**100.0%**	**29.2%**

Note:
[1]As detailed within "Primary Study Area: Unprotected Units" above, the methodology applied for purposes of CEQR analysis over-predicts the number of unprotected and total rental units within Block Group 2 of Census Tract 577.
Sources:
New York City Department of Finance Real Property Assessment Data (RPAD) 2009 database, 2000 Census, AKRF, Inc.

IDENTIFYING POPULATION AT RISK

The next step in the analysis is to determine whether a renter population is present in the study area with income characteristics that make them vulnerable to displacement pressures. To determine whether a population at risk exists in the study areas, the *CEQR Technical Manual* recommends analyzing "Census data on income and renters in structures containing fewer than six units" (since these are units that would not be rent-protected) 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:

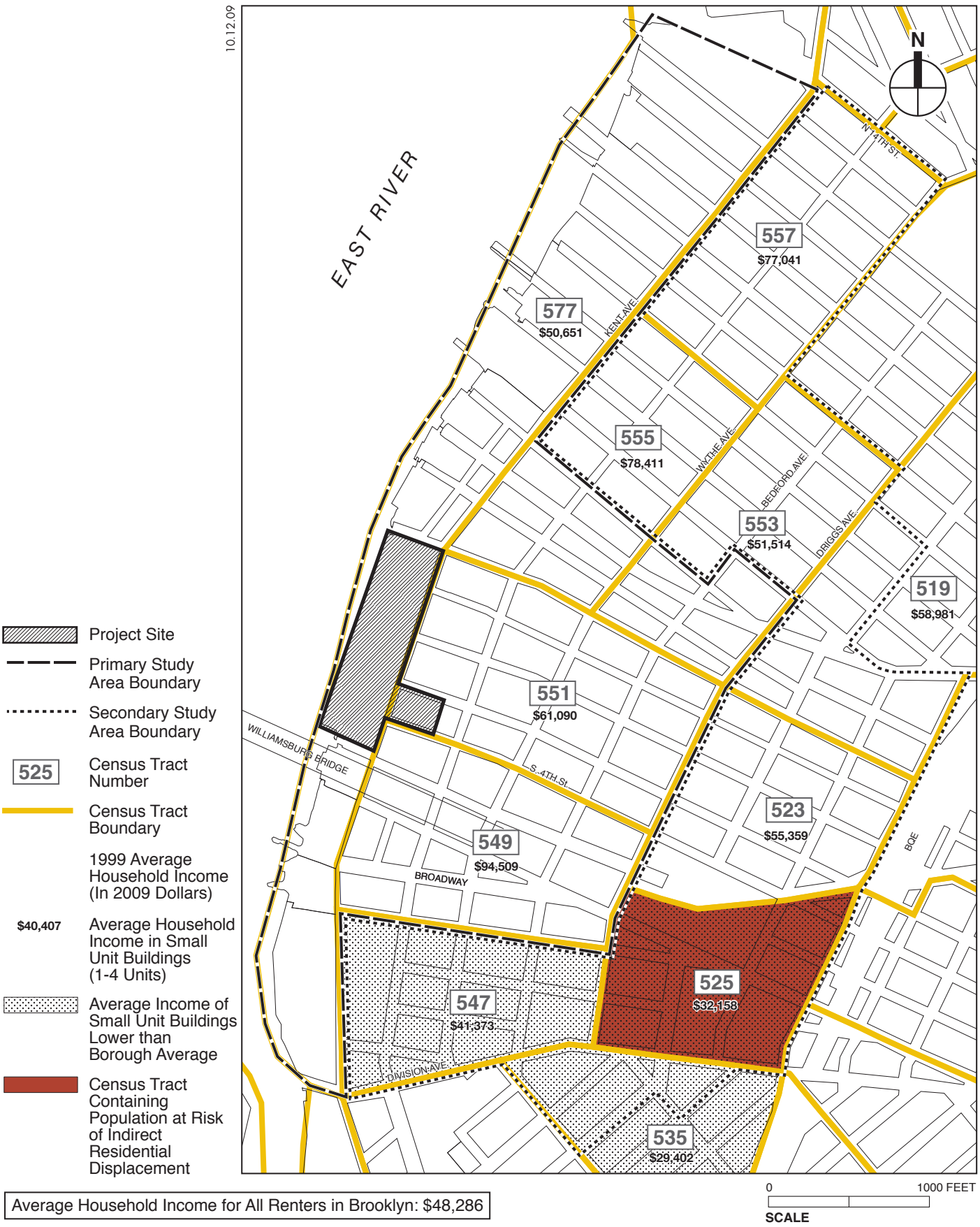
1. Census 2000 tract-level data were used to determine the average household income of renters in small buildings of one to four units. As described above, these buildings are not generally subject to rent regulation laws. The population at risk analysis is done at census tract level since average household income for renters by size of building is not available at block group level from the US Census.
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 Brooklyn. 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 Brooklyn 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, 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 Brooklyn, as a whole, then the study area might contain a significant population at risk. Given recent increases in rental rates, as described in "Recent Residential Trends," it is likely that the average income of renters in unregulated units in the study area would, in general, be higher than the average income for renters in regulated units in Brooklyn as a whole.

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. This is true for all census tracts in the primary study area and all but three census tracts in the secondary study area, Census Tracts 525, 535, and 547 (see Table 4-12 and Figure 4-4). 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 Brooklyn are shown in italics and boldface. As described above, this is the criterion used for identifying tracts that could contain a vulnerable population.

Primary Study Area: Population at Risk

In the primary study area, residents living in small (unprotected) buildings have higher incomes than the average income for Brooklyn renters as a whole. It can be inferred from this data that, overall, higher income households moving into the primary study area during the 1990s were disproportionately concentrated in unregulated housing units where there are no controls on rent increases and which therefore were most likely to turn over. There also has been a growing trend of more expensive unregulated housing in the study areas since 2000, which is not captured in Table 4-12.



Census Tracts Containing Population Vulnerable to Indirect Displacement

Figure 4-4

Table 4-12
Average Household Income for Renters in Small Buildings, Buildings with 5 or More Units, and All Renter-Occupied Buildings in Brooklyn, 1999[1]

Census Tract	Average Household Income in Small Buildings[2]	Average Household Income in Large Buildings	Difference between Small and Large Buildings	Difference between Small Buildings and Borough Average[3]
Primary Study Area				
549	$94,509	$63,533	$30,976	$46,223
551	$61,090	$35,938	$25,152	$12,804
555	$78,411	$78,741	($330)	$30,125
577	$50,651	$79,814	($29,163)	$2,365
Secondary Study Area				
519	$58,981	$47,172	$11,809	$10,695
523	$55,359	$38,495	$16,864	$7,073
525	***$32,158***	***$23,202***	***$8,956***	***($16,128)***
535	***$29,402***	***$36,225***	***($6,823)***	***($18,884)***
547	***$41,373***	***$29,346***	***$12,027***	***($6,913)***
553	$51,514	$50,438	$1,076	$3,228
557	$77,041	$51,858	$25,183	$28,755

Notes:
[1] All dollars presented in constant 2009 dollars using the US Department of Labor's August 2009 Consumer Price Index for the "New York-Northern New Jersey-Long Island" area.
[2] The average household income for small renter-occupied buildings is based on renter-occupied units in buildings with one to four units.
[3] This number represents the difference between the average household income for renters in small buildings and the average household income for all Brooklyn renters ($48,286).
Tracts in italics are those 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 Brooklyn.
Source: U.S. Census Bureau, 2000 Census, Summary File 3.

Although the average household income in small buildings is higher than the borough average, there are two Census tracts in which the average household income in small buildings is lower than the average household income in large buildings (Census Tracts 555 and 577), indicating income disparities between households in small and large buildings in these areas.

Secondary Study Area: Population at Risk

Although renters in small (unprotected) buildings tend to be wealthier than renters in large (protected) buildings, there are three census tracts in which the average income for renters in small, unregulated buildings is lower than the average income for all renters in Brooklyn (Census Tract 525, 535, and 547). These tracts are examined in greater detail below.

Census Tract 525

Tract 525 is located at the southeast portion of the study area, approximately ½ mile away from the proposed project, and is bisected by the Williamsburg Bridge. Nearly 40 percent of the population is Hispanic and over half (52 percent) of the population is white, a large proportion of which is likely part of the Orthodox Jewish community. The average household size in this tract is 3.15—slightly higher than the study area average (2.79). The median household income in the tract is the lowest of all tracts in the primary and secondary study areas at $16,258, due in large part to the presence of the Jonathan Williams Plaza, a public housing development with 577 apartments at 325 Roebling Street that contains almost half of the dwelling units in the census tract. In 1999, the average household income for renters in unprotected buildings ($32,158) was approximately $16,128 lower than the average for all renters living in Brooklyn ($48,286).

The housing stock in this census tract includes older housing, with 84 percent of the buildings built in or before 1930. In addition, according to RPAD 2009 data, only five residential properties were built after 2000. The housing stock is mixed, with approximately 62 percent being small buildings with one to four units and 38 percent with five or more units.

About 15.0 percent of all renter-occupied housing units in the tract are unprotected. There are approximately 570 persons living in 181 unprotected units in this tract who are potentially vulnerable to displacement. According to Census 2000 data, approximately 73.1 percent of the renter-occupied households living in small (unprotected) units moved into their current apartment within five years of the survey. In comparison, 55.6 percent of all renters in small buildings in the study area, and 57.4 percent of all renters in small buildings in Brooklyn, moved in within five years of the 2000 Census. This suggests that there is high turnover in the rental units, and the residential units may turnover over the next decade regardless of the proposed project. Units that experience turnover are assumed to no longer house an existing vulnerable population. When units turnover and are re-tenanted, they would have more frequent opportunities for improvements and increases in rent. Therefore, many of the units that are vulnerable to market forces are already turning over to a more affluent population. Due to the tract's distance from the proposed project and high turnover of the rental units, it is likely that there would be fewer than 181 households that would be potentially vulnerable to indirect residential displacement.

Census Tract 535

Approximately 170 units in Block Group 4 of Census Tract 535 are unprotected.[1] These units represent 51.9 percent of renter-occupied units in the block group. The average household income for renters in small buildings was $29,402, which was approximately $18,884 lower than the average for all renters living in Brooklyn.

Tract 535 is the southernmost tract in the study area, located south of Division Avenue. Given the distance between this block group and the project site, the market pressure that could cause rents to rise in unprotected units is expected to be much weaker here than in other portions of the study area.

Turnover was low in this census tract, as 37.2 percent of the renter-occupied households living in small (unprotected) units moved into their current apartment within five years of the 2000 Census.[2] This percentage is the lowest of all census tracts in the primary and secondary study areas.

Despite the housing changes taking place throughout the rest of the study area, the housing stock in Tract 535 seems to have changed very little. According to Census data, approximately 69.5 percent of the housing units were built in 1939 or earlier. In addition, RPAD data indicate that only 20 new residential units have been developed in Block Group 4 of Tract 535 since 2000. These units were constructed in 2002 and 2004. Since the *Greenpoint-Williamsburg Rezoning FEIS* was adopted by the City Council in May 2005, no residential units have been constructed in Block Group 4 of Census Tract 535. Based on the static housing conditions and the distance between the tract and the project site, Tract 535 was removed from the list of tracts containing a population vulnerable to displacement due to the proposed project.

[1] Block Group 4 is the only block group in Census Tract 535 that is in the study area.

[2] U.S. Census Bureau; 2000 Census; Summary File 3.

Census Tract 547

Similar to its treatment in the *Greenpoint-Williamsburg Rezoning FEIS*, Tract 547 was removed from the list of tracts containing a vulnerable population based on field observations and information on new construction or conversion projects. The area around Tract 547 has experienced several high-profile market-rate and luxury housing development projects in recent years, such as the Gretsch building on Broadway, just north of the tract. Recent sales prices for residential units at the Gretsch Building ranged between $635,000 for a 1,001-square-foot unit (sold in July 2009) to $1.4 million for a 1,803-square-foot building (sold in July 2009), which is substantially more than a vulnerable population could be expected to pay. In addition, the Smith Gray Building at 138 Broadway also has condo prices that are more than a vulnerable population could afford, with a 1,865-square-foot unit selling for $1.6 million in January 2009.[1] Despite an active housing market in and around Tract 547, the population living in unprotected units—a relatively homogeneous, low-income group of residents—has remained in the area. Although the area has already experienced substantial changes in the real estate market that would indicate an influx of higher income residents, low-income residents continued to live in unprotected units.

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. As discussed above, the 1999 average household income for renters in small buildings in the primary study area was higher than the boroughwide average. Thus, census tracts in the primary study area were not identified as having a potentially vulnerable population. The analysis indicates that during the 1990s, higher-income households that moved into the primary study area were disproportionally concentrated in unregulated housing units where there are no controls on rent increases and which therefore were most likely to turn over. Therefore, there has been a trend in which unregulated units in the primary study area are turning over to higher-income households.

The secondary study area contains three census tracts that meet the first criteria for identifying a potentially vulnerable population—tracts in which the average income for renters in unprotected units is lower than the average income for renters in Brooklyn. However, the distance between these tracts and the project site and the presence of other strong real estate market forces make it unlikely that these residents would actually be subject to indirect displacement pressures due to the proposed project.

The detailed analysis results in an estimated population at risk of 570 residents living in approximately 181 unprotected housing units in Census Tract 525. The size and general location of a population potentially vulnerable to indirect residential displacement is the best estimate based on currently available data. However, it is likely that there would be fewer than 181 households that would be potentially vulnerable to indirect residential displacement due to the tract's distance from the project site. Also, housing units in Census Tract 525 have a higher turnover rate compared to other census tracts in the study area, and may change hands over the next decade regardless of the proposed project.

The *Greenpoint-Williamsburg Rezoning FEIS* found that approximately 2,510 residents living in 830 unprotected units in four Census Tracts—499, 579, 525, and 527—could be subject to indirect displacement pressures due to the proposed rezoning. Census Tract 525 is in the

[1] Sales data obtained from Trulia.com (Accessed September 4, 2009).

proposed project's area of potential impact; the remaining three census tracts—Census Tracts 499, 579, and 527—are outside of the Domino primary and secondary study areas. The *Greenpoint-Williamsburg Rezoning FEIS* noted that a high percentage of renter-occupied households in Census Tract 525 moved into their apartment within five years of the survey, and that these residents may be more transient than the average renter, and may voluntarily move in the next decade regardless of the Greenpoint-Williamsburg rezoning. Based on a site visit in April 2009, conditions in Census Tract 525 appear not to have changed substantially since the *Greenpoint-Williamsburg Rezoning FEIS.* Although this FEIS was adopted by the City Council in May 2005, only two buildings—with a total building area of 32,881 sf—were constructed in Census Tract 525 between 2005 and April 2009.

THE FUTURE WITHOUT THE PROPOSED PROJECT

This section describes the housing and population conditions that are expected in the No Action condition, presenting development and population changes that are projected to occur in the study area through 2020. The analysis for the primary and secondary study areas is based on projects anticipated for the area, including residential development projected in the study area in the *Greenpoint-Williamsburg Rezoning FEIS.*

Absent the proposed project, it is assumed that the project site would be developed with as-of-right uses permitted under the existing M3-1 zoning. As discussed in Chapter 2, "Analytical Framework," this scenario would include industrial distribution space, storage space, a catering hall/restaurant, and a building material storage yard.

The study area is expected to gain approximately 6,093 housing units by 2020 in the No Action condition, for a total of 16,936 housing units. Overall, this is a 56.2 percent increase from the existing number of housing units. The majority of the new housing units (67.8 percent, or 4,128 units) are expected to be added to the primary study area. A portion of these units are likely to be affordable housing units due to the Greenpoint-Williamsburg rezoning, which includes an Inclusionary Housing Program. Under this program, developments that provide affordable housing units are eligible to develop additional floor area. The approximately 1,398 affordable housing units expected to be generated by the Greenpoint-Williamsburg rezoning will serve to retain a number of households that may otherwise be displaced due to increased rental rates, but there will continue to be potential for indirect residential displacement impacts in the No Action condition.

Based on the 2000 primary and secondary study area average household size (2.79) and occupancy rate (95.0 percent), the study area will gain an additional 16,148 new residents by 2020, bringing the total population to 44,988. This is a 56.0 percent increase from the existing population. The number of residents in the primary study area is expected to more than double, from 9,083 residents under existing conditions to 20,023 residents in 2020. The secondary study area population is expected to increase by approximately 26.4 percent, from 19,757 residents in the existing condition to 24,965 residents in 2020 (see Table 4-13).

Table 4-13
Population and Housing Growth: No Action Condition, 2009-2020

	Housing Units				Population			
	Existing Housing Units	Additional Housing Units	2020 No Action Total Housing Units	Percent Growth	Existing Population	Growth to 2020	2020 No Action Total Population	Percent Growth
Primary Study Area	3,674	4,128	7,802	112.4%	9,083	10,940	20,023	120.4%
Secondary Study Area	7,169	1,965	9,134	27.4%	19,757	5,208	24,965	26.4%
Total Area	10,843	6,093	16,936	56.2%	28,840	16,148	44,988	56.0%

Note: Population growth was calculated by applying the 2000 average household sizes and vacancy rates for the primary and secondary study area as a whole to the number of housing anticipated to be added by 2020.

THE FUTURE WITH THE PROPOSED PROJECT

The analysis of the future with the proposed project considers the effects of the proposed project in concert with No Action trends and conditions. This section analyzes the uses under the proposed project by 2020 and evaluates the potential for indirect residential displacement associated with those changes.

The proposed project would result in the addition of up to 2,400 residential units to the study area, increasing the housing stock to 19,336 dwelling units in 2020. This addition would increase the residential units by approximately 14.2 percent in the study area by 2020 as compared to the No Action condition.

Based on the 2000 average household size for the study area (2.79 persons per household), the proposed project would add up to 6,696 residents to the study area by 2020, an increase of 14.9 percent compared to the 2020 No Action population (see Table 4-14).

Table 4-14
Population and Housing Growth: Future With the Proposed Project, 2020

	Housing Units				Population			
	2020 No Action Housing Units	Project Increment	2020 Future With the Proposed Project Housing Units	Percent Growth	2020 No Action Population	Project Increment	2020 Future With the Proposed Project Population	Percent Growth
Primary Study Area	7,802	2,400	10,202	30.8%	20,023	6,696	26,719	33.4%
Secondary Study Area	9,134	0	9,134	0.0%	24,965	0	24,965	0.0%
Total Area	16,936	2,400	19,336	14.2%	44,988	6,696	51,684	14.9%

Note: Population growth was calculated by applying the 2000 average household sizes and vacancy rates for the primary and secondary study area as a whole to the number of housing units anticipated to be added by 2020.

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 by less than 5 percent, it would not be large enough to alter socioeconomic trends significantly.

As mentioned above, the proposed project would increase the combined study area population by 6,696 residents (or 14.9 percent) over the future No Action conditions. 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 actions, they would not be likely to find comparable replacement housing in their neighborhood." As described above, the proposed project would not initiate or accelerate the trend toward increased rents in the study areas. There have been substantial increases in residential rents and sales prices in the study area since 2000, and the new market-rate units would be comparable to other existing and new developments that are anticipated to be in place by 2020. By 2020, the study area is expected to gain 6,093 residential units, many of which will be market rate.

This detailed analysis of the potential for indirect residential displacement impacts estimates that the study area contains approximately 181 households (570 residents) living in Census Tract 525 that would be vulnerable to indirect displacement if their rents were to increase. This would account for a total of 1.0 percent of units in the combined study area in the year 2020 with the proposed project. While there is the potential for limited indirect displacement as a result of the proposed project, such displacement would not have the potential to generate significant adverse effects on socioeconomic conditions in the study areas, for the following reasons:

- **The proposed project would occur along the waterfront, a distance from the population at risk.** The proposed residential development would occur about ½ mile from Census Tract 525, which was identified as containing a population at risk under existing conditions. New waterfront development may shift the focus of the residential neighborhood, and residential demand associated with it, to the west away from the identified population at risk.
- **Turnover of unregulated units is already high.** According to Census 2000 data, Census Tract 525, which was identified as having a vulnerable population, already experiences a high turnover of unregulated units. Approximately 73.1 percent of the renter-occupied households living in small (unprotected) units moved into their current apartment within five years of the survey. In comparison, 55.6 percent of all renters in small buildings in the study area, and 57.4 percent of all renters in small buildings in Brooklyn, moved in within five years of the 2000 Census.
- **The proposed project would contribute to the addition of affordable housing in the study area.** Under the proposed action, the applicant would utilize the Inclusionary Housing Program to allocate 20 percent of the residential floor area as affordable housing. Above and beyond this amount, however, it is the intention of the applicant that 30 percent of the units would be affordable. Approximately 15 percent of the affordable units would be rental housing for households at or below 30 percent of Area Median Income (AMI); approximately 50 percent would be rental housing for households at or below 60 percent of AMI; approximately 15 percent would be senior rental housing for senior citizens at or below 50 percent of AMI; and approximately 20 percent would be homeownership units at New York City Housing Partnership Program affordability levels (up to 130 percent of AMI).

The proposed project's affordable units would house a population greater than the existing at-risk population in the study area (this would be the case even if the proposed project were introducing only the 20 percent affordable housing under the Inclusionary Housing Program). Along with the affordable units that have been and will continue to be provided as a result of the Greenpoint-Williamsburg rezoning, the project's affordable units would help assure that a substantial portion of the area's future population would have incomes that would more closely reflect existing incomes of the "at risk" population in the study area. ✷