Chapter 3 : Socioeconomic Conditions

I. INTRODUCTION

This chapter assesses the potential for the Proposed Actions to result in any significant adverse impacts to socioeconomic conditions, under the guidelines of the 2014 *City Environmental Quality Review (CEQR) Technical Manual*. Per Chapter 5, Section 200 of the *CEQR Technical Manual,* the socioeconomic conditions assessment evaluates whether a proposed action would result in significant adverse impacts based on its effects on direct residential displacement, direct or indirect business/institutional displacement, and adverse impacts to specific industries.

As described in Chapter 1, "Project Description," the Applicant is seeking a set of Proposed Actions in the form of discretionary approvals to include zoning map and text amendments, a large-scale general development (LSGD) special permit, a City Map Amendment to re-establish a portion of Beach 52nd Street south of Rockaway Beach Boulevard to reconnect with Rockaway Freeway, and public funding and/or financing from various City and New York State agencies and/or programs related to affordable housing development on the Project Site. The Project Site is situated in Queens Community District 14 (CD 14). The Proposed Actions would facilitate the Proposed Project to consist of an approximately 2,371,000 gross square feet (gsf) development on the Project Site, comprised of 11 buildings with approximately 2,200 income-restricted dwelling units (DUs), of which 1,927 DUs would be income-restricted up to 80% of the Area Median Income (AMI), to include approximately 201 DUs set aside for Affordable Independent Residences for Seniors (AIRS) senior housing, with the remaining 273 DUs restricted to income levels not exceeding 130% of AMI. In addition to the residential DUs, the Proposed Project would include approximately 72,000 gsf of retail space, including a fitness center and a supermarket, approximately 77,000 gsf of community facility space, approximately 24,000 square feet (sf) of publicly-accessible open space, and approximately 973 accessory parking spaces.

The Proposed Actions would not directly displace residents and, therefore, an assessment of direct residential impacts is not warranted. Nor would the Proposed Project, directly or indirectly, displace businesses and employees, or affect conditions in a specific industry; therefore, assessments of direct or indirect business displacement or effects on specific industry are not warranted. In accordance with the *CEQR Technical Manual* guidelines, an assessment of indirect residential displacement is needed because the Proposed Actions would generate more than 200 DUs.

II. PRINCIPAL CONCLUSIONS

Based on a preliminary assessment, it was determined that the Proposed Project would not result in a significant adverse impact on socioeconomic conditions due to indirect residential displacement. The Proposed Project would facilitate the development of a substantial amount of new housing within the study area. As under the No-Action condition, the Proposed Project would introduce populations with incomes up of to $60,360 for households occupying one-bedroom DUs restricted at 80% AMI, and incomes up to $138,080 for households occupying three-bedroom units restricted at 130% AMI. The Proposed Project would not introduce a trend toward increasing rents and new market rate development that is not already observable in or near the study area, including the Arverne Real Estate Market area.

III. METHODOLOGY

Background

The CEQR Technical Manual defines the socioeconomic character of an area to include its population, housing, and economic activity. Although socioeconomic changes may not result in impacts under CEQR, they are disclosed if they would affect land use patterns, low-income populations, the availability of goods and services, or economic investment in a way that changes the socioeconomic character of the area. In some cases, these changes may be substantial but not adverse. In other cases, these changes may be good for some groups but bad for others. The objective of the CEQR assessment is to disclose whether any changes created by the project would have a significant impact compared to what would happen in the future without the project.

Determining Whether a Socioeconomic Assessment is Appropriate

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

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

   The Project Site is vacant and does not contain any existing DUs. Therefore, an assessment of direct residential displacement is not warranted.

2. *Direct Business Displacement: Would the project directly displace more than 100 employees?*

   The Project Site is vacant and does not contain any existing commercial uses. Therefore, an assessment of direct businesses displacement is not warranted.

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

   The Proposed Actions would generate a residential development with over 200 DUs. Therefore, a preliminary assessment of indirect residential displacement is needed. As the Proposed Project would not result in more than 200,000 sf of commercial development, an assessment of indirect businesses displacement due to increased rents is not warranted.

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

   The Proposed Project would not result in 200,000 sf or more of retail on a single development site or 200,000 sf or more of region-serving retail across multiple sites. Therefore, an assessment of indirect business displacement due to retail market saturation is not warranted.

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

   The Proposed Project would not affect conditions within a specific industry and therefore an assessment for adverse effects on specific industries is not warranted.

Based on the screening assessment, the Proposed Project warrant an assessment of indirect residential displacement. Generally, an indirect residential displacement analysis is conducted only in cases in which the potential impact may be experienced by populations that are vulnerable or at risk, i.e., renters living in privately held units unprotected by rent control, rent stabilization, or other government regulations restricting rents, or whose incomes or poverty status indicate that they may not support substantial rent increases. The potential for indirect displacement depends not only on the characteristics of the proposed project, but on the characteristics of the study area. Usually, the characteristics of the proposed project are known—the objective of the preliminary assessment, then, is to gather enough information about conditions in the study area so that the effect of the change in conditions with the proposed project relative to expected future conditions in the study area can be better understood. As described below, Section 322 of the *CEQR Technical Manual* defines the step-by-step guidelines for an indirect residential displacement assessment.

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

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

Step 3: Consider whether the study area has already experienced a readily observable trend toward increasing rents and the likely effect of the action on such trends. If no such trend exists either within or near the study area, the action could be expected to have a stabilizing effect on the housing market within the study area by allowing for limited new housing opportunities and investment.

Study Area Definition

According to *CEQR Technical Manual* guidelines, the socioeconomic study area is the area within which the proposed actions could directly or indirectly affect population, housing, and economic activities. A study area typically encompasses areas within approximately 400 feet, 0.25-mile, or 0.5-mile radius from the Project Site based on the project size and area characteristics. The 0.5-mile study area is appropriate for projects that would potentially increase the 0.25-mile population by more than five percent. The Proposed Project would increase the 0.25-mile area population by approximately 4,252 persons (41.3%); therefore, a 0.5-mile study area is appropriate (see **Table 3-1: Estimated Population in 0.25-mile Radius Census Tracts)**.

Because the socioeconomic assessment depends on demographic data, it is appropriate to adjust the study boundary to conform to the census tract delineation that most closely approximates the desired radius (in this case, 0.5-mile radius surrounding the Project Site). Census tracts with at least 50% of their area within a 0.5-mile radius of the Project Site were considered to demarcate the socioeconomic study area for this assessment. The census tracts that constitute the socioeconomic study area are shown in **Figure 3-1: Socioeconomic Study Area.** The adjusted study area is comprised of three census tracts: 972.02, 972.03 and 972.04.

Table 3-1: Estimated Population in 0.25-mile Radius Census Tracts

Census Tract	Existing Condition (persons)	No-Action Condition (persons)[1]	With-Action Condition (persons)[2]	Percent Change
972.02 & 972.04	6,848	10,293	14,545	41.3%

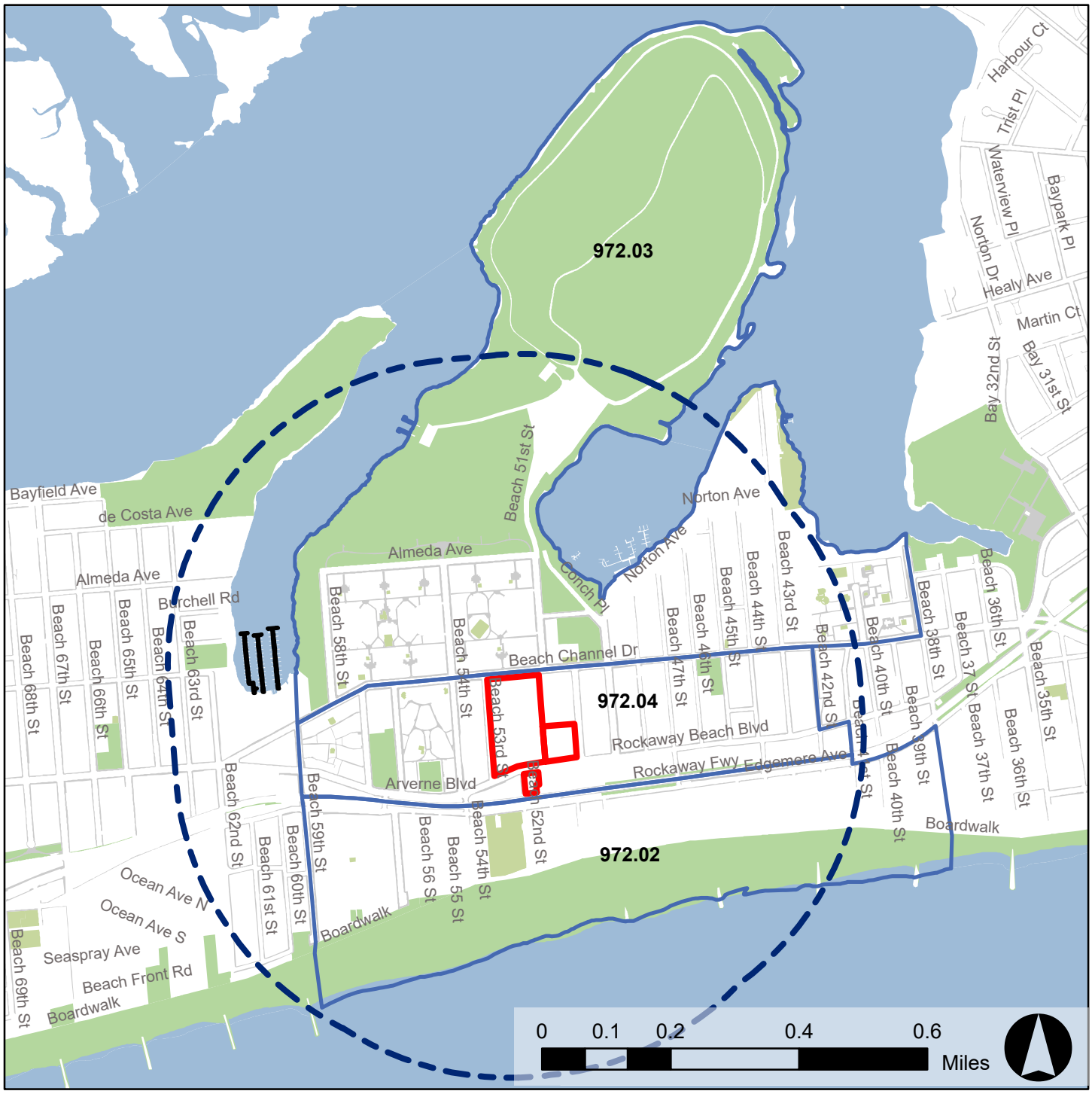
Source: DCP Population FactFinder, ACS 5-Year Estimates, 2012-2016

Note: [1] 568 DUs on the Project Site and 680 DUs within a 0.25-mile radius of Project Site; Each DUs is assumed to have a median household size of 2.76 persons per household (Hammels-Arverne-Edgemere Neighborhood Tabulation Area 2010-2014 ACS). Approximately 362 DUs in the Edgemere Urban Renewal Area (URA) are located within the study area and 318 DUs in the Arverne URA are located within the study area (26.44% of 1,200 DUs). No-Action projects are expected to generate approximately 3,445 persons.

[2] With-Action condition would add another 1,632 DUs such that non-senior DUs would generate approximately 2.76 persons per household, or 3,950 residents, and senior DUs would generate approximately 1.5 persons per household, or 302 residents, for a total of 4,252 residents (based on 2,200 DUs on the Project Site)

Data Sources

Data related to residential conditions, including population, housing, and income data, were obtained from the 2016 American Community Survey 5-year estimates (2012-2016). The income limits for affordable rental DUs were computed using the New York City (NYC) Department of Housing Preservation and Development's (HPD's) "Area Median Income" guide for 2018. Area market-rate rents were researched using Trulia, a web-based real estate database that uses web data extraction to compile an aggregated list of residential property listings from multiple brokerage firms and brokers. Lot level real property data was obtained from the NYC Department of City Planning (DCP) PLUTO database.



Project Site

0.50-Mile Radius

Socioeconomic Study Area

972.04 Census Tracts

SOCIOECONOMIC STUDY AREA MAP

Figure 3-1

Peninsula Hospital Site Redevelopment

IV. PRELIMINARY ASSESSMENT

Indirect Residential Displacement

Existing Conditions and Trends

The socioeconomic study area is primarily comprised of large-scale publicly-funded housing. Of the 4,908 DUs in the study area (**Table 3-2: Housing Units in Study Area**), 83% (4,107) of the units are in publicly-funded housing (**Table 3-3: Publicly Funded Housing in Study Area**). Limited new development has occurred in the study area. Since 1976, three publicly-funded developments were completed in the study area, comprising 148 DUs. Arverne View Apartments, built in 1974, suffered damages due to Hurricane Sandy and underwent rehabilitation that was completed in 2013.

Table 3-2: Housing Units in Study Area

	Total Housing (DUs)	Publicly-Funded Housing (DUs)	Occupied (DUs)	Rental Occupied (DUs)	Owner Occupied (DUs)
Study Area	**4,908**	**4,107**	**4,356**	**4,076**	**280**

Notes: *101-DU Beach Green Dunes Phase 1 not included in 2012-2016 ACS estimate of housing DUs due to 2017 build year.

Source: DCP Population FactFinder, 2012-2016 American Community Survey

Of the 4,908 DUs in the socioeconomic study area, 4,356 are occupied.[1] Of the occupied DUs, 6.4% (280[2]) are owner-occupied and 93.6% (4,076) are renter-occupied DUs. Based on a review of US Census and PLUTO data, owner-occupied units largely comprise study area buildings with fewer than five DUs. Privately-owned buildings with fewer than five rental units are considered vulnerable to displacement. Since owner-occupied units are not at risk of displacement due to market conditions, of the approximately 463 DUs in the study area in privately-owned buildings with fewer than five DUs, an estimated 183 rental units in the study area may be vulnerable to displacement.

[1] DCP Population FactFinder, 2012-2016 ACS Profile

[2] Value is not statistically reliable according to Population FactFinder

Table 3-3: Publicly-Funded Housing in Study Area

Project	Address	Year Built	Number of DUs	Financing
Arverne/Nordeck Apartments	324 Beach 59th Street (Census Tract 972.04)	1960	342	Mitchell-Lama
NYCHA Ocean View Apartments (Bayside)	56-32 Beach Channel Drive & 56-10 Beach Channel Drive (Census Tract 972.03)	1960/ 1963	1,395	NYCHA public housing
NYCHA Ocean View Apartments (Oceanside)	301 Beach 54th Street (Census Tract 972.04)	1964	418	NYCHA public housing
NYCHA Beach 41st Street	40-22 Beach Channel Drive & 438 Beach Channel Drive (Census Tract 972.03)	1972/ 1976	712	NYCHA public housing
Arverne View Apartments	57-15 Rockaway Beach Blvd (Census Tract 972.02)	1974	1,091	Mitchell-Lama (expires 1/1/2024) and Housing and Urban Development (HUD) financing (expires 11/1/2049)
3-09 Beach 53rd Street	(Census Tract 972.04)	2004	16	421-a Tax Incentive Program, expires 12/31/2023
334 Beach 54th Street	(Census Tract 972.04)	2004	32	420-c Tax Incentive Program
Beach Green Dunes*	44-19 Rockaway Beach Blvd (Census Tract 972.02)	2017	101	HPD Mixed Income Program – Mix and Match
Total			**4,107**	

Source: CoreData.nyc, accessed 4/24/2018

Notes: *Not included in 2012-2016 ACS estimate of housing DUs due to2017 build year

The average median household income in the socioeconomic study area was $26,622 in 2016[3]. **Table 3-4: Distribution of Household Incomes** illustrates the distribution of incomes within the socioeconomic study area. The income distribution in the study area shows that 75.6% of households earn less than $50,000 annually and approximately 47.5% of study area households earn less than $25,000. Only 6.3% of households in the socioeconomic study area earn over $100,000—with no households earning more than $200,000.

Table 3-4: Distribution of Household Incomes

	Total Households	Households earning less than $25,000		Households earning $25,000 to $49,999		Households earning $50,000 to $99,999		Households earning $100,000 to $199,999		Households earning $200,000 or more	
		Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Study Area	4,356	2,069	47.5%	1,223	28.1%	788	18.1%	276	6.3%	-	0.0%

Source: DCP Population FactFinder 2012-2016 American Community Survey, Household Income

Note: Number of households as part of distribution of Household Income is computed across those three census tracts which comprise the study area (972.02, 972.03 and 972.04). According to Population FactFinder: values for CTs 972.02 and 972.03 not statistically reliable for household income ranges greater than and equal to $10,000; all range values for census tract 972.04 are not statistically reliable.

[3] DCP Population FactFinder, 2012-2016 ACS Profile for study area.

Existing Property Values and Rent

Property values and rents in the study area have been increasing over time, similar to increasing housing costs across Queens and NYC. According to the New York University Furman Center's *State of New York City's Housing and Neighborhoods in 2017* report, the asking median rent has increased by 19.2%, from $1,510 to $1,800, between 2010 and 2017 in Queens Community District 14, in which the Project Site and the study area are located. In comparison, the increase in median rent for Queens is 29.4% and 7.69% across the City. The nearest large-scale multifamily development comparable to the Proposed Project is Arverne By The Sea, which is located in the Arverne Real Estate Market area[4] that includes the Arverne and Edgemere neighborhoods and the Project Site. The median rent in the Arverne Real Estate Market is $2,147, which is higher than the $1,800 median rent at the community district level.[5] The U.S. Department of Housing and Urban Development (HUD) defines households that pay more than 30% of their income for housing as cost burdened. The imputed average income of market-rate renters in the Arverne Real Estate Market[6] area is $85,880, based on households spending 30% of their income on the $2,147 median rent. A sample of asking rents in the Arverne Real Estate Market area is provided in **Table 3-5: Comparable Market-Rate Properties for Rent.** The median gross rent in the study area is $610, which is reflective of the predominance of publicly-funded housing in the study area.

Table 3-5: Comparable Market-Rate Properties for Rent

Address	Price	Bedrooms
6519 Seaspray Ave #2	$1,550	1
6418 Ocean Ave S	$1,900	1
186 White Sands Way #B	$1,600	1
121 Meridian Blvd	$3,000	2
Arverne (No address given)	$2,000	2
7010 Coral Reef Way #2	$2,100	2
6903 Coral Reef Way #1-G	$1,200	2
6310 Beach Front Road	$2,600	2
6314 Ocean Ave N #A	$2,300	2
Ocean Ave N and White Sands Way	$2,100	2
183 Sea Grass Ln #A	$2,200	2
146 Meridian Blvd #A	$3,000	3
136 Compass Pl #A	$2,800	3
169 Beach 62nd Street #1	$3,000	3
192 Sea Grass Ln #B	$2,200	3
7010 Coral Reef Way #2	$2,100	2

[4] Source: https://www.trulia.com/real_estate/Arverne-Queens/5024/; accessed May 29, 2018.
[5] See Footnote 3
[6] See Footnote 3

Future Without the Proposed Actions (No-Action Condition)

In No-Action condition, an approximately 504,982 gsf market-rate development would be built on the Project Site, including approximately 568 market-rate DUs, 21,659 gsf of retail space, and 800 gsf of community facility space.[7]

Within the study area, several development projects are anticipated to be complete by the 2034 analysis year, including development in the Edgemere and Arverne Urban Renewal Areas, as described in Chapter 2, "Land Use, Zoning and Public Policy." These projects would introduce substantial new development to the socioeconomic study area, including approximately 680 residential DUs, of which 521 are expected to be income-restricted at up to 80% AMI. The remainder, or approximately 159 DUs, would be market-rate.

Including as-of-right development on the Project Site, approximately 1,248 DUs would be developed in the study area, 521 of which would be income-restricted at up to 80% AMI. To determine the average household incomes of income-restricted households, the U.S. Department of Housing and Urban Development (HUD) sets income limits by household size for affordability housing. **Table 3-6: 2018 New York City Affordable Monthly Rents** shows the upper income limit for the 80% of AMI and 130% of AMI levels of affordability based on household size. Compared to the $26,622 average median household income in the study area in 2016, the 521 income-restricted DUs would introduce incomes up to $60,360 for households occupying one-bedroom DUs restricted at 80% AMI, and incomes up to $138,080 for households occupying three-bedroom units restricted at 130% AMI. Households occupying market-rate DUs would have similar or higher incomes.

Table 3-6: 2018 New York City Affordable Monthly Rates

Unit Size	80% AMI		130% AMI	
	Monthly Rent	Imputed Household Income	Monthly Rent	Imputed Household Income
One-Bedroom	$1,509	$60,360	$2,487	$99,480
Two-Bedroom	$1,820	$72,800	$2,993	$119,720
Three-Bedroom	$2,096	$83,840	$3,452	$138,080

Source: HPD, "2018 NYC Area Affordable Monthly Rents." http://www1.nyc.gov/site/hpd/renters/what-is-affordable-housing.page

Notes: *Assumes tenant pays electricity, no electric stove

No-Action developments would, therefore, introduce a population with higher incomes than those that currently exist within the study area. The existing trend of increasing median household incomes would continue under the No-Action condition. Even though a share of the No-Action condition DUs would be permanently affordable, these new DUs would still be affordable to households with incomes higher than those existing today.

Future with the Proposed Actions (With-Action Condition)

The Proposed Project would result in 2,200 income-restricted DUs on the Project Site, 1,927 of which would be income-restricted at up to 80% AMI, with 201 DUs set aside for AIRS senior housing, and the remaining 273 units are intended to be restricted to income levels not exceeding 130% of AMI. Including the Proposed Project and No-Action developments in the study area, the With-Action condition would include approximately 2,880 total DUs of which approximately 2,448 DUs would be income-restricted at up to 80% of AMI . The remainder, or approximately 432 DUs, would be market-rate.

[7] Comprised of 483 accessory parking spaces for residential use (pursuant to ZR §25-251), 72 accessory parking spaces for retail use (pursuant to ZR §36-21), and two accessory spaces for community facility use (pursuant to ZR §36-21).

The Proposed Actions would facilitate the development of a substantial amount of new housing within the study area. As under the No-Action condition, the Proposed Project would introduce incomes up to $60,360 for households occupying one-bedroom DUs restricted at 80% AMI, and incomes up to $138,080 for households occupying three-bedroom units restricted at 130% AMI. The Proposed Project would not introduce a trend toward increasing rents and new market rate development that is not already observable in or near the study area, including the Arverne Real Estate Market area, or projected under No-Action conditions. Therefore, the Proposed Project would not result in a significant adverse impact on socioeconomic conditions due to indirect residential displacement.