Chapter 3: Socioeconomic Conditions

A. INTRODUCTION

This chapter describes the socioeconomic changes that could result from the proposed project and assesses whether such changes could result in significant adverse impacts. As described in the 2025 *City Environmental Quality Review (CEQR) Technical Manual*, the socioeconomic character of an area includes its population, housing, and economic activity. Socioeconomic changes may occur when a project directly or indirectly changes any of these elements. In some cases, the changes brought about by a proposed project may be substantial but not adverse. In other cases, the changes may be good for some groups but bad for others. The objective of this analysis is to disclose whether any of the changes to socioeconomic character resulting from the proposed project would have the potential to result in significant adverse socioeconomic impacts when compared with the changes that would occur in the future without the proposed project.

The co-Applicants, the New York City Educational Construction Fund (ECF) and 240 Nassau Street Holdings, LLC, are seeking zoning approvals, including zoning map and text amendments, a special permit, and other City and State approvals and potential future U.S. Department of Housing and Urban Development (HUD) actions (the "Proposed Actions"), to facilitate the construction of a proposed mixed-use development on Block 110, Lot 25 and Block 111, Lot 1 (the "Project Site") in Downtown Brooklyn, Community District (CD) 2. The proposed development would include four new buildings totaling approximately 1.7 million gross square feet (gsf), including public school facilities; residential, retail, and community facility space; cultural center space; and open space (the "Proposed Project").

The Proposed Actions include the transfer, reallocation, and lease of property among 240 Nassau Street Holdings, LLC, ECF, and the City of New York to allow for the Proposed Project and ECF financing and discretionary zoning approvals from the New York City Planning Commission (CPC) and New York City Council. A detailed description of the Proposed Project and the approvals needed to facilitate the Proposed Project is presented in Chapter 1, "Project Description."

The co-Applicants propose that 20 percent of the project's residential floor area (302 affordable dwelling units [DUs]) be provided as affordable housing. The co-Applicants propose to map the Project Site with a modified version of Mandatory Inclusionary Housing (MIH) Option 1 that would allow 20 percent of residential floor area at a weighted average of 60 percent AMI (302 affordable DUs), with eight percent of floor area at 40 percent AMI. In the event the co-Applicants and the New York City Housing Authority (NYCHA) participate in the Transfer of Assistance (TOA) program (or a comparable affordable housing program), the modified Option 1 would permit a minimum of 15 percent of residential floor area at a weighted average of 60 percent area median income (AMI) (207 affordable DUs), with six percent of floor area at 40 percent AMI, and the remaining five percent of residential floor

area (95 affordable DUs) would be provided in Building 4 through the TOA program, together still yielding a total of 302 affordable DUs. In all cases, no unit would exceed 130 percent of AMI.

In accordance with guidance from the *CEQR Technical Manual*, this socioeconomic assessment considers the following potential changes to socioeconomic conditions: (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.

PRINCIPAL CONCLUSIONS

A preliminary assessment finds that the Proposed Actions would not result in significant adverse impacts due to changes in socioeconomic conditions. The following summarizes findings with respect to each of the five areas of socioeconomic concern.

DIRECT RESIDENTIAL AND DIRECT BUSINESS DISPLACEMENT

There are no residential units or commercial businesses currently on the Project Site and the existing institutional use—the Madison Square Boys and Girls Club on Block 110, Lot 25—would be closed in the future without the Proposed Actions (the No Action condition). Therefore, the Proposed Actions would not result in any direct residential or business displacement on the Project Site. The With Action includes a new community center that would replace the existing Madison Square Boys and Girls Club and would be located adjacent to Golconda Playground.

INDIRECT RESIDENTIAL DISPLACEMENT

The Proposed Actions would not result in significant adverse impacts due to indirect residential displacement. The study area has already experienced an observable trend toward increasing rents and new market-rate development. Moreover, the Proposed Actions would introduce permanently affordable units as compared to the No Action condition, which would help preserve diverse housing opportunities in the area and moderate rent increases.

INDIRECT BUSINESS DISPLACEMENT

The Proposed Actions would not result in significant adverse impacts due to indirect business displacement. While the Proposed Actions would result in the introduction of new residents and workers and generate new economic activity, the proposed commercial development is less than the CEQR thresholds requiring an analysis of indirect business displacement.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

The Proposed Actions would not result in a significant adverse impact on business conditions in any specific industry or any category of business, nor would the Proposed Actions indirectly substantially reduce employment or impair economic viability in any specific industry or category of business.

B. METHODOLOGY

The objective of a socioeconomic conditions analysis is to disclose whether any changes resulting from a project would have a significant adverse impact compared with what would happen in the future if the project was not undertaken. Even when socioeconomic changes would not result in impacts, 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.

Changes to an area's socioeconomic character may occur directly or indirectly because of a project. Direct (or primary) displacement is defined by the *CEQR Technical Manual* methodology as the involuntary displacement of residents or businesses from a site or sites directly affected by a proposed action. Examples of direct displacement include a proposed redevelopment of a currently occupied parcel for a new use or structure, or a proposed easement or right-of-way that would take a portion of a parcel so that it is unfit for its current use.

Indirect (or secondary) displacement is defined by the *CEQR Technical Manual* methodology as the involuntary displacement of residents, businesses, or employees that results from a change in socioeconomic conditions created by a proposed action. Examples of indirect displacement include lower-income residents forced out due to rising rents caused by a new concentration of higher-income housing introduced by a project, or a similar turnover of industrial uses being forced out in favor of higher-paying commercial tenants attracted to an area because of a successful office project.

If a project does not affect an area's socioeconomic characteristics directly or indirectly, it may still affect the operation of a major industry or commercial operation in New York City. An example would be the implementation of new regulations that restrict a certain process that is vital to a particular industry.

For a project covering a large geographic area, such as an area-wide rezoning or other zoning changes affecting multiple properties, the specific location and type of future development that may result may not be known, since future development would depend on decisions of individual private property owners. In such cases (including for this analysis), sites are analyzed under a Reasonable Worst-Case Development Scenario (RWCDS) to illustrate a conservative assessment of potential effects of a proposed action on sites considered likely to be redeveloped. The analysis in this chapter is based on the RWCDS developed for the Proposed Project, which includes a net increase of 1,418 DUs by the 2033 Build Year.

Following *CEQR Technical Manual* guidelines, the socioeconomic analysis begins with a screening assessment for each type of socioeconomic change discussed above, to determine whether a preliminary assessment is needed. If preliminary assessments are needed, they are conducted to learn enough about the potential effects of a proposed action to either rule out the possibility of significant adverse impacts or determine that a more detailed analysis is required to fully determine the extent of the impacts. When appropriate, a detailed analysis examines existing conditions and then evaluates the changes to those conditions in the With Action condition as compared with the changes that would be expected in the No Action condition.

The screening assessment concluded that the Proposed Actions would not result in significant adverse impacts on socioeconomic conditions for four of the five areas of socioeconomic concern, including direct residential displacement, direct business displacement, indirect business displacement, and adverse impacts to a specific industry. No further analysis was required for these areas. Based on the results of the screening assessment, a preliminary assessment of indirect residential displacement was conducted.

STUDY AREA DEFINITION

A socioeconomic study area is the area where a project has the greatest potential to directly or indirectly affect population, housing, and economic activities. A study area typically encompasses a project area and adjacent areas within approximately 400 feet, 0.25-mile, or 0.5-mile, depending on the project size and area characteristics. According to the *CEQR Technical Manual*, the larger 0.5-mile study area is appropriate for projects that would potentially increase the No Action population in the 0.25-mile area by more than five percent. Under the RWCDS, the Proposed Project would increase the 0.25-mile area population by approximately 2,879 people (a 20 percent increase in the 0.25-mile area population); therefore, a 0.5-mile study area is appropriate.[1]

Because socioeconomic analyses depend on demographic data, it is appropriate to adjust the study area boundary to conform to the census tract delineation that most closely approximates the desired radius (in this case, a 0.5-mile radius surrounding the Project Site). For this analysis, there are 11 census tracts that comprise the study area, as shown in **Figure 3-1**.[2] The study area is generally bounded on the north by East River and Flushing Avenue, on the south by Dekalb Avenue, on the east by Williamsburg Place, Adelphi Street, and Cumberland Street, and on the west by Cadman Plaza West.

DATA SOURCES

Information used in the analysis of indirect residential displacement—including housing, rents, and incomes—was derived from the United States (U.S.) Census Bureau's 2006–2010 and 2019–2023 American Community Survey (ACS) Five-Year Estimates using DCP's Population FactFinder. Existing population was derived from the 2020 U.S. Census data. The DCP Housing Database was used to identify net units built since 2020 and anticipated projects in the study area in the future without the Proposed Project. The New York City Department of Buildings (DOB) Active Major Construction database was used to supplement the information in the housing database. The DCP Population FactFinder online mapping tool was used to identify comparative census data between geographies and to determine the margin of error for single-variable ACS estimates presented for the study area.[3] Social

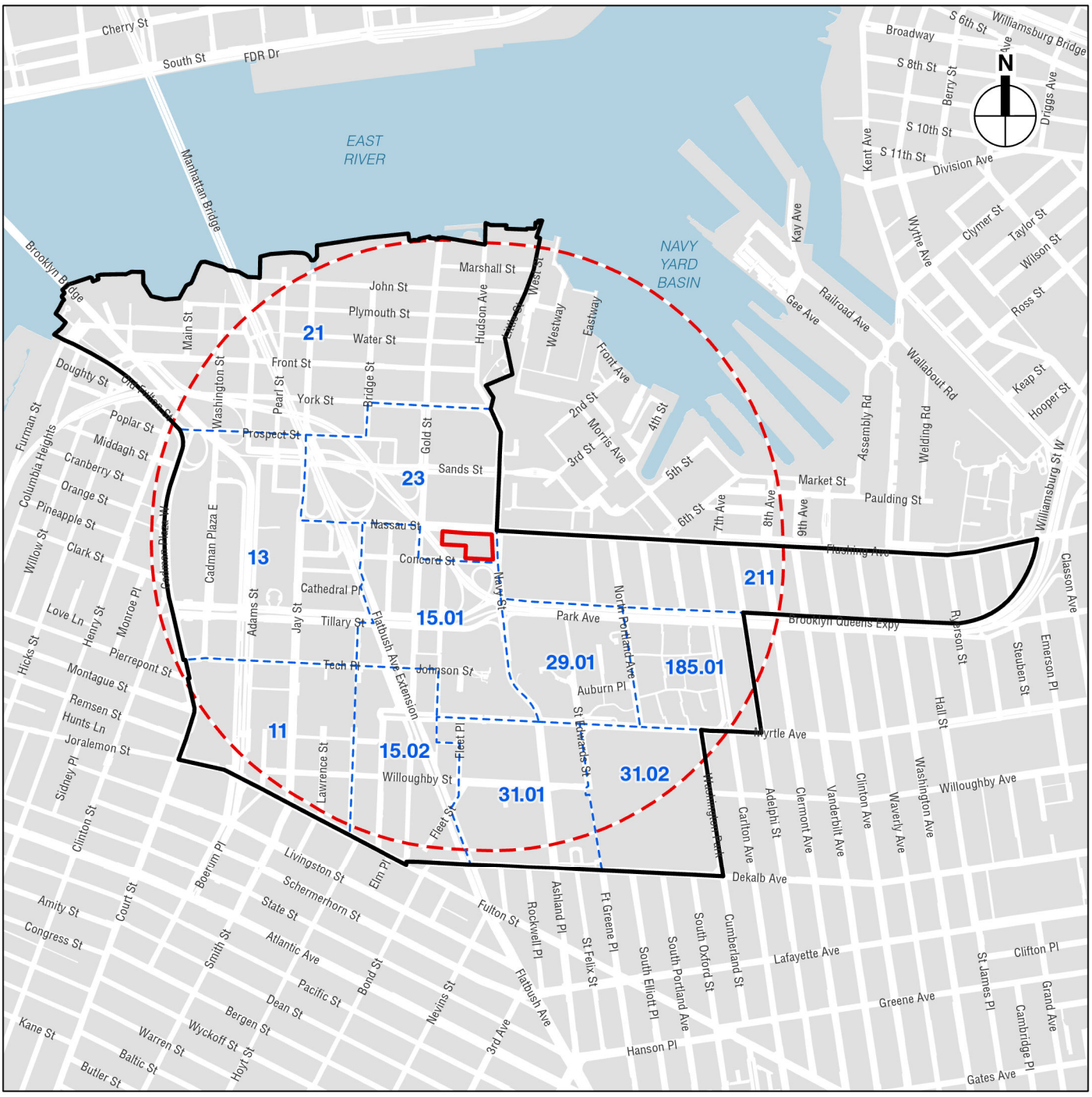
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1 The estimated population increase for the RWCDS was estimated using the average household size of 2.03 for Brooklyn Community District 2 according to 2020 U.S. Census data, the latest available data from New York City Department of City Planning (DCP) Population FactFinder, and the number of incremental DUs resulting from the Proposed Project (1,418 DUs).

2 The 0.5-mile study area comprises the following 11 Brooklyn census tracts: Tracts 11, 13, 15.01, 15.02, 21, 23, 29.01, 31.01, 31.02, 185.01, and 211.

3 Margins of error describe the precision of an estimate within a 90 percent confidence interval and provide an idea of how much variability (i.e., sampling error) is associated with the estimate. The larger the margin of error relative to the size of the estimate, the greater potential for variability within the data. The margin of error is partially dependent on the sample size, because larger

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NYC Educational Construction Fund

Socioeconomic Study Area

Figure 3-1

Explorer was used to collect comparative census data not offered through DCP Population FactFinder for geographies within the study area. Social Explorer is a demographic data visualization and research website that agglomerates a variety of data including data from the U.S. Census Bureau's decennial census and ACS Five-Year Estimates. Study area market-rate asking rents were researched using online real estate listing sites, including StreetEasy and Zillow.

C. SCREENING ASSESSMENT

This section presents the socioeconomic conditions screening analyses for the Proposed Project, using the *CEQR Technical Manual* screening questions that identify circumstances that can lead to socioeconomic changes warranting further analysis.

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

The Proposed Project would not result in direct residential displacement, as there are no residential units on the Project Site; therefore, further assessment of direct residential displacement is not warranted.

2. ***Direct Business Displacement: Would the project directly displace more than 100 existing employees, or would it displace any business that is unusually important because its products or services are uniquely dependent on its location, are subject of policies or plans aimed at its preservation, or that serves a population uniquely dependent on its services in its present location?***

The Madison Square Boys and Girls Club on Block 110, Lot 25 is an institutional use that would be closed in the No Action condition. It will be displaced by the development of an as-of-right seven-story, approximately 83,500 gsf residential building (approximately 84 units). As such, the Proposed Project would not result in direct business displacement, and no further analysis of direct business displacement is warranted. The With Action condition includes a new community center that would replace the existing Madison Square Boys and Girls Club and would be located adjacent to Golconda Playground.

3. ***Indirect Residential 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 250 units would typically not result in significant socioeconomic impacts.***

The Proposed Project would result in the development of 1,418 incremental DUs, which exceeds the *CEQR Technical Manual* screening threshold of 250 DUs, warranting further analysis of indirect residential displacement. That analysis is provided below (see "Preliminary Assessment").

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sample sizes result in a greater amount of information that more closely approximates the population.

4. ***Indirect Business Displacement Due to Increased Rents or Market Saturation: Would the project result in substantial new development that is markedly different from existing uses, development, and activities within the neighborhood; or would the project add to, or create, a retail concentration that may draw a substantial amount of sales from existing businesses within the study area to the extent that certain categories of business close and vacancies in the area increase, thus resulting in a potential for disinvestment on local retail streets?***

The *CEQR Technical Manual* suggests that commercial development of up to 200,000 square feet (sf) would typically not result in significant indirect business displacement due to increased rents. Based on the RWCDS, the Proposed Project would not result in commercial development exceeding the 200,000-sf commercial threshold. As such, the Proposed Project is not expected to result in significant adverse impacts due to increased commercial rents, and no further assessment is warranted.

The Proposed Project would introduce 34,000 gsf of incremental retail space, which is less than the 200,000-sf CEQR threshold requiring an analysis and would not have the potential to result in disinvestment on local retail streets due to retail market saturation and associated competitive effects. Therefore, further analysis of indirect business displacement due to market saturation is not warranted.

5. ***Adverse Impacts on Specific Industries: Is the project expected to affect conditions within a specific industry? An analysis is warranted if a substantial number of residents or workers depend on the goods or services provided by the affected businesses or if it would result in the loss or substantial diminishment of a particularly important product or service within the industry.***

Based on the results of the screening assessment, the Proposed Project is not expected to result in adverse effects on a specific industry. The Proposed Project would not directly or indirectly displace businesses that a substantial number of residents or workers depend on for goods or services and would not result in the loss or substantial diminishment of a product or service that is unusually important.

Based on the above screening assessment, the Proposed Project does not warrant further assessment of direct residential displacement, direct business displacement, indirect business displacement, or adverse effects on a specific industry. An indirect residential displacement screening assessment is provided below.

D. PRELIMINARY ASSESSMENT

INDIRECT RESIDENTIAL DISPLACEMENT

As described in the *CEQR Technical Manual*, indirect residential displacement usually occurs when a project results in a substantial new development that is markedly different from existing uses and activities within a neighborhood. This can contribute to increased property values and increased rents, which can make it difficult for some existing residents to remain in their homes. Generally, an indirect residential displacement analysis is conducted to consider the potential effects that may be experienced by renters who live in privately owned units that are unprotected by rent control, rent stabilization, or other government regulations restricting rents, and whose income or poverty status indicates that they may be sensitive to

substantial rent increases. Residents who are homeowners, or who are renters living in rent-protected DUs, are not considered potentially vulnerable populations under the *CEQR Technical Manual* methodology. This analysis follows the step-by-step assessment guidelines of the *CEQR Technical Manual*.

Step 1: 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.

According to *CEQR Technical Manual* analysis thresholds, if the population increase resulting from a proposed action is five percent or greater in that project's socioeconomic study area, that incremental population may be large enough to affect real estate market conditions, and Step 2 of the preliminary assessment is warranted. If the population increase is more than 10 percent in that study area, a detailed analysis is warranted.

According to the 2020 Census, the 0.5-mile socioeconomic study area for the Proposed Project had a population of 38,430 residents. The DCP Housing Database identified a net increase of 5,660 DUs built since the 2020 Census. These DUs have added an estimated 10,733 residents to the study area, bringing the estimated 2025 population to 49,163 residents. In the No Action condition, development of 1,241 DUs will occur in the socioeconomic study area by the 2033 build year. As shown in **Table 3-1**, the addition of these units to the study area is expected to bring the total population to 51,682 in 2033, a 5.1 percent increase over the current estimated population.

Table 3-1
0.5-Mile Study Area Population Estimates and Projections
Existing Conditions and No Action Condition

2020 Population	DCP Housing Database Additional Population	2025 Study Area Population	2033 Population Projection – No Action Condition	Percent Change Existing to No Action Condition
38,430	10,733	49,163	51,682	5.1%

Note: The 2033 projected population is based on No Action projects in the study area and an average household size of 2.03 persons per DU (average for Brooklyn Community District 2 in the 2020 Census).

Sources: 2020 Census; DCP Housing Database and Population FactFinder; AKRF.

In the With Action condition, the study area would experience additional population growth compared with the No Action condition (see **Table 3-2**). The projected population is estimated to be 2,879, representing a 5.6 percent increase over the No Action condition population. The population growth in the study area in the With Action condition would exceed the No Action condition by more than 5 percent. Therefore, Step 2 is required.

Table 3-2
0.5-Mile Study Area With Action Condition Population

2033 Population Projection – No Action Condition	Number of Incremental DUs	Projected Population Increase from Incremental DUs	Percent Change from No Action Condition
51,682	1,418	2,879	5.6%

Note: The 2033 projected population in the No Action condition is based on No Action projects in the study area and an average household size of 2.03 persons per DU (the average for Brooklyn Community District 2 in the 2020 Census); the With Action population is based on the same average household size.

Source: 2020 Census; DCP Housing Database and Population FactFinder; AKRF.

Step 2: Determine if the project would add new population with higher average incomes compared with the average incomes of the existing populations and any new population expected to reside in the study area without the project.

EXISTING CONDITIONS AND TRENDS

Using the *CEQR Technical Manual* methodology, household income characteristics for the study area population are described using the average and median household incomes. The average household income is calculated by dividing a study area's aggregate income by the total number of households in the study area. The presence of high-income households raises the average income, sometimes substantially higher than the median household incomes in the study area. Therefore, the median household income is also presented, as it represents an estimate of the midpoint of all household incomes in the study area.

As shown in **Table 3-3**, the estimated average household income for the 0.5-mile study area is $170,550, substantially more than that of Brooklyn as a whole ($120,169) and New York City ($127,894). Average incomes in the study area have increased since 2006–2010, although the magnitude of change cannot be confidently reported. The estimated median household income for the study area is $116,802, which, like the average, is more than that of Brooklyn ($78,548) and New York City overall ($79,713). Median household incomes throughout the compared geographies have followed trends similar to that of the average household income.

Residential rents have increased throughout the study area since 2010, with average rents more than doubling and median rents more than tripling (see **Table 3-4**). The average and median rents in the study area were lower than that of Brooklyn and New York City overall in 2006-2010 but are currently higher.

Table 3-3
Household Income Characteristics (2006–2010, 2019–2023 ACS)

Area	Average Household Income[1]			Median Household Income[1]		
	2006–2010[1] ACS	2019–2023 ACS	Change or Direction of Change[2]	2006–2010[1] ACS	2019–2023 ACS	Change or Direction of Change[2]
Socioeconomic Study Area	$104,722	$170,550	Increase	$55,750	$116,802	Increase
Brooklyn	$88,025	$120,169	36.5%	$61,207	$78,548	28.3%
New York City	$109,437	$127,894	16.9%	$70,645	$79,713	12.8%

Notes:
[1] All dollar figures are represented in 2023 dollars.
[2] If the margin of error of the difference between 2006–2010 and 2018–2022 ACS data is greater than the difference, a change cannot be reported with confidence; if the margin of error of the difference is greater than one third of the difference, a change cannot be estimated with confidence and only the direction of the change can be reported (i.e., increase/decrease).
Sources: U.S. Census Bureau, 2006–2010 and 2019–2023 ACS 5-Year Estimates via DCP's Population FactFinder.

Table 3-4
Average and Median Gross Rents

Area	2006–2010 ACS		2019–2023 ACS		Change or Percent Change	
	Average[1]	Median[1]	Average[1]	Median[1]	Average[2]	Median[2]
Socioeconomic Study Area	$1,272	$749	$2,611	$2,517	105.3%	236.1%
Brooklyn	$1,489	$1,434	$1,946	$1,784	30.7%	24.4%
New York City	$1,651	$1,505	$1,996	$1,779	20.9%	18. 2%

Notes:
[1] All dollar figures are represented in 2023 dollars.
[2] If the margin of error of the difference between 2006–2010 and 2019–2023 ACS data is greater than the difference, a change cannot be reported with confidence; if the margin of error of the difference is greater than one third of the difference, a change cannot be estimated with confidence and only the direction of the change can be reported (i.e., increase/decrease).
Sources: U.S. Census Bureau, 2006–2010 and 2019–2023 ACS 5-Year Estimates via DCP's Population FactFinder.

U.S. Census and ACS data do not provide specific rent information according to regulation status or unit size but instead can paint a general picture about the rate at which housing costs are changing in a neighborhood. Market comparables were therefore used to provide a fuller understanding of current market-rate rents. **Table 3-5** summarizes online listings for market-rate apartments for the study area. The average, median, and third quartile rents presented in the table were calculated based on market-rate rental units and are generally much higher than the data presented by the ACS, which reflects the large presence of rent-protected units in the study area.[4]

[4] The Project Site is within 0.25 miles of three large NYCHA developments: Farragut Houses (1,390 units), Ingersoll Houses (1,840 units) and Whitman Houses (1,659 units). All of these units are

Table 3-5
Asking Rents in the Socioeconomic Study Area

Measure	Studio	1BR	2BR	3BR or more
Average	$3,593	$4,148	$5,821	$9,617
Median	$3,500	$4,107	$5,650	$9,019
Third Quartile[1]	$3,990	$4,306	$6,400	$11,147

Note:
[1] The third quartile is the 75th percentile, that is 75 percent of the rents are below this point.
Source: StreetEasy (http://streeteasy.com), Zillow (https://www.zillow.com/) based on approximately 30 listings for each type; accessed in January 2026.

NO ACTION CONDITION

In the No Action condition, it is anticipated that the existing trends of increasing rents and increasing household income in the 0.5-mile study area will continue. An estimated 2,129 DUs are expected to be completed by the 2033 build year in the No Action condition. These DUs will introduce population growth into the study area, furthering the existing trend of increasing rents and incomes. Multiple mixed-use, high-density projects are planned for the study area (see **Appendix A**). For example, 51 Willoughby Street will add 295 DUs and 3,633 gsf of retail space; 175 Pearl Street will add 184 DUs and 1,335 gsf of retail space; and 188 Duffield Street will add 99 DUs, 629 gsf of retail space, and 4,207 gsf of community facility space. Market-rate development at this scale will add to the housing supply and contribute to the existing trend of increasing household income and rents identified in **Tables 3-3 and 3-4**, respectively.

WITH ACTION CONDITION

Housing Profile and Affordability of Incremental Development

By 2033, the Proposed Project would introduce approximately 1,502 DUs, of which approximately 302 would be developed as affordable units in accordance with the MIH program. The MIH program requires a share of new housing in rezoned areas to be permanently affordable. Within geographies established as MIH Areas, set-asides are required for all developments of more than 10 DUs or 12,500 sf of residential floor area.

According to the *CEQR Technical Manual*, when calculating the number of affordable units and the incomes of households occupying them in the With Action condition, only those MIH Options that are actually being sought by the applicant should be considered. There are three stand-alone options associated with the MIH program that are characterized by different affordability levels to promote a range of affordable development, as follows:

- **Option 1:** 25 percent of residential floor area would be set aside for households with incomes averaging 60 percent of the AMI or lower.
- **Option 2:** 30 percent of residential floor area would be set aside for households with incomes averaging 80 percent AMI or lower.

publicly owned and subject to rent protections. As such, none of these immediately adjacent units are vulnerable to indirect residential displacement as defined under CEQR.

- **Option 3 (Deep Affordability):** 20 percent of residential floor area would be set aside for households with incomes averaging 40 percent AMI or lower.[5]

New York City AMIs and affordable monthly rents by AMI are shown in **Tables 3-6** and **3-7**. AMIs are calculated yearly by the U.S. Department of Housing and Urban Development (HUD).

Table 3-6
2025 New York City Area AMI

Family Size (People)	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	100% of AMI	120% of AMI	130% of AMI	165% of AMI
1	$34,020	$45,360	$56,700	$68,040	$90,720	$113,400	$136,080	$147,420	$187,110
2	$38,880	$51,840	$64,800	$77,760	$103,680	$129,600	$155,520	$168,480	$213,840
3	$43,740	$58,320	$72,900	$87,480	$116,640	$145,800	$174,960	$189,540	$240,570
4	$48,600	$64,800	$81,000	$97,200	$129,600	$162,000	$194,400	$210,600	$267,300
5	$52,500	$70,000	$87,500	$105,000	$140,000	$175,000	$210,000	$227,500	$288,750

Source: New York City Department of Housing Preservation and Development, https://www.nyc.gov/site/hpd/services-and-information/area-median-income.page.

Table 3-7
2025 New York City Affordable Monthly Rents by AMI

Unit Size	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	100% of AMI	120% of AMI	130% of AMI	165% of AMI
Studio	$851	$1,134	$1,418	$1,701	$2,268	$2,835	$3,402	$3,686	$4,678
1 BR	$972	$1,296	$1,620	$1,944	$2,592	$3,240	$3,888	$4,212	$5,346
2 BR	$1,094	$1,458	$1,823	$2,187	$2,916	$3,645	$4,374	$4,739	$6,014
3 BR	$1,215	$1,620	$2,025	$2,430	$3,240	$4,050	$4,860	$5,265	$6,683

Note: Assumes tenant pays electricity. Rents are approximate and have been calculated at 30 percent of annual gross income of the target AMI.

Source: New York City Department of Housing Preservation and Development, https://www.nyc.gov/site/hpd/services-and-information/area-median-income.page.

The Proposed Actions would establish an MIH Area at the Project Site and the special permit would modify MIH requirements for the rezoning area to require 20 percent of the residential floor area (approximately 302 units) to be affordable and targeted for households earning an average of 60 percent of AMI. The remainder of the units are assumed to be market-rate units. This analysis conservatively applies the Proposed Project's MIH program because it would result in the highest weighted average income for the incoming population compared with the standalone MIH Options. Therefore, of the approximately 1,418 incremental units that would result from the Proposed Project, 302 DUs would be affordable for incomes averaging 60 percent of AMI or lower; 1,116 incremental DUs would be market-rate.

[5] Option 4 (the Workforce Option), which requires that 30 percent of residential floor area be for units for residents with incomes averaging 115 percent AMI cannot be mapped alone and is therefore not considered in this analysis.

Average Household Income of the With Action Population

Based on the incremental development that would occur as a result of the Proposed Actions and the assumptions regarding affordability described above, the average household income for residents of the new incremental market-rate DUs was estimated. **Table 3-8** shows the calculations used to estimate the average household income of the market-rate units. Assuming the existing mix of unit types in the study area, approximately 17 percent of the new market-rate DUs would be studios, 33 percent would be one-bedroom units, 35 percent would be two-bedroom units, and 15 percent would have three or more bedrooms. Using the third quartile of market-rate monthly rent by bedrooms for the study area (**Table 3-5**), household incomes were estimated assuming that households spend 30 percent of their gross monthly income on rent.[6] Then, the estimated annual incomes were multiplied by the number of units to determine the aggregate income for all the units. Finally, this aggregate was divided by the total number of market-rate units to determine the average household income of households living in the market-rate units. As shown in **Table 3-8,** the estimated average household income for the 1,116 incremental market-rate DUs on the Project Site as a result of the Proposed Project is $240,753.

Table 3-8
Weighted Average Income of Incremental With Action Market-Rate Renters

Apartment Size	Monthly Rent	Estimated Gross Monthly Income[1]	Estimated Gross Annual Income	Dwelling Units	Aggregate Income by Apartment Size (Annual Income x Units)
Studio	$3,990	$13,300	$159,600	192	$30,643,200
One Bedroom	$4,306	$14,353	$172,236	363	$62,521,668
Two Bedroom	$6,400	$21,333	$255,996	393	$100,606,428
Three bedrooms	$11,147	$37,157	$445,884	168	$74,908,512
Total				1,116	$268,679,808
Weighted Average Annual Income of Households in Market-Rate Units (Aggregate Income ÷ Total Units)					**$240,753**

Notes: Numbers may not sum to totals due to rounding.
[1] Monthly income was estimated using the assumption that renters spend 30 percent of their gross monthly income on rent.
Sources: Monthly rent from recent and active StreetEasy/Zillow listings, January 2026; percent of units by number of bedrooms from 2019–2023 ACS 5-year estimate for the study area.

In the With Action condition, 302 incremental affordable units on the Project Site would be affordable at 60 percent AMI (household incomes averaging $78,052).[7] **Table 3-9** shows the average household income of the incremental population, including those living in both the affordable and the market-rate units. The average income of market-rate units was multiplied by the total number of market-rate units. The average income of affordable units was

[6] *CEQR Technical Manual* guidance is to calculate household incomes using the third quartile of asking rents in the study area.

[7] Because AMI is defined by household size, and the household size in the study area falls between two whole numbers (2.03 persons per household), the appropriate *CEQR Technical Manual* methodology was used to estimate affordable unit income levels.

multiplied by the total number of affordable units. The sum of these two numbers is the aggregate income for households in all incremental units. This aggregate income was divided by the total number of units to determine the average income for all incremental units resulting from the Proposed Actions. As shown in **Table 3-9**, the average household income for the incremental units would be an estimated $206,102.

Table 3-9
Weighted Average Income of Total Incremental With Action Population

Apartment Type	Estimated Annual Household Income	Dwelling Units	Aggregate Income (Annual Income x Units)
Market-rate	$240,753	1,116	$268,680,348
Affordable	$78,052	302	$23,571,704
Total		1,418	$292,252,052
Weighted Average Income of the With Action Population (Aggregate Income ÷ Total Units)			**$206,102**

Notes: Numbers may not sum to totals due to rounding.
[1] Affordable income is based on 60 percent AMI and a household size of 2.03 (the average household size throughout Brooklyn Community District 2).
Source: New York City Department of Housing Preservation and Development, https://www.nyc.gov/site/hpd/services-and-information/area-median-income.page.

In the With Action condition, the average household income of the incremental population introduced by the RWCDS is estimated to be $206,102, which would exceed the average household income of the existing population in the study area ($170,550). Therefore, in accordance with *CEQR Technical Manual* guidelines, Step 3 of the preliminary indirect residential displacement assessment is required.

Step 3. Has the study area already experienced a readily observable trend toward increasing rents?

Following the methodology set forth in the *CEQR Technical Manual*, the Step 3 analysis considers 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 the vast majority of the study area has already experienced a readily observable trend toward increasing rents and new market-rate development, further analysis is not warranted.

As shown in **Table 3-4**, above, the median and average gross rents in the 0.5-mile study area have increased since 2006–2010. These trends follow overall patterns of rent and income changes in Brooklyn and New York City overall.

As reported in **Table 3-4**, the 0.5-mile study area has experienced a trend toward increasing rents. As described in the *CEQR Technical Manual*, if the vast majority of the study area has already experienced a readily observable trend toward increasing rents and new market-rate development, further analysis is not warranted. Additionally, the Proposed Project would conservatively introduce an increment of 302 permanently affordable units, which would help to preserve diverse housing opportunities in the area and is unlikely to adversely affect market conditions. Although conservatively not considered in the *CEQR Technical Manual*

methodology, the incremental DUs would help satisfy demand for housing in the study area and New York City, thereby moderating rent increases.

Based on this preliminary assessment, the Proposed Actions would not result in a significant adverse impact due to indirect residential displacement. ✷