Chapter 3: Socioeconomic Conditions

A. INTRODUCTION

This chapter examines the potential effects of the proposed actions on population and housing characteristics, economic activity, and the commercial real estate market within an area most likely to be affected by the proposed actions. The proposed actions call for the redevelopment of the project sites (Site A and Site B) along the Hunter's Point waterfront; Site A is currently occupied by the New York Water Taxi ferry landing and Water Taxi Beach, Tennisport (a private tennis club), and a staging area for a construction company, while Site B features low-rise distribution and storage buildings. The proposed actions would introduce nine residential parcels as well as retail uses, community facility space, a public school, public parkland and other public and private open spaces, and accessory parking.

One of the primary issues concerning socioeconomic conditions is the involuntary displacement of residents, businesses, and institutions (and their associated employment). The project sites do not contain any residential uses, but a few businesses and employment associated with those businesses would be directly displaced. In addition, the proposed actions would introduce substantial new development, which could indirectly affect local real estate trends. For these reasons, an assessment to determine whether the proposed actions could cause significant adverse impacts on socioeconomic conditions is warranted.

In accordance with the guidelines in the 2001 *City Environmental Quality Review (CEQR) Technical Manual*, this chapter evaluates four specific factors that could lead to significant adverse socioeconomic impacts in an area: (1) direct displacement of existing businesses and institutions; (2) indirect displacement of businesses and institutions; (3) adverse effects on specific industries not necessarily tied to a project site or area; and (4) indirect displacement of a residential population.

Following this introduction and the chapter's principal conclusions, the rest of the chapter is organized as follows:

- Section B provides an overview of the methodology utilized in assessing potential socioeconomic impacts;
- Section C presents the preliminary assessments of direct and indirect business and institutional displacement, potential adverse effects on specific industries, and indirect residential displacement;
- Section D presents a detailed assessment of indirect residential displacement; and
- Section E presents a detailed summary of this chapter's conclusions.

PRINCIPAL CONCLUSIONS

A preliminary assessment was conducted to address the following five areas of socioeconomic impact: direct business displacement; indirect business displacement; adverse effects on specific

industries; direct residential displacement; and indirect residential displacement. The preliminary assessment ruled out the potential for significant adverse impacts for all socioeconomic areas of concern with the exception of indirect residential displacement, for which a detailed analysis was conducted. The analyses conducted concluded that the proposed actions would not have any significant adverse socioeconomic impacts. For detailed conclusions on the specific socioeconomic impact areas, see section E, "Conclusions," of this chapter.

B. METHODOLOGY

CEQR OVERVIEW

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

Direct displacement is defined as the 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. Since the occupants of a particular site are usually known, the disclosure of direct displacement focuses on specific businesses and employment, and an identifiable number of residents and workers.

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 ultimately may make existing housing unaffordable to lower income residents; a similar turnover of industrial to higher-rent commercial tenancies 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 creates conditions that break down the community (such as a highway dividing the area).

Even where actions do not directly or indirectly displace businesses, they 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 action on the industry in question.

DETERMINING WHETHER A SOCIOECONOMIC ASSESSMENT IS APPROPRIATE

Under CEQR, socioeconomic assessments should be conducted if an action may be reasonably expected to create substantial socioeconomic changes within the area affected by the action that would not be expected to occur without the action. According to the *CEQR Technical Manual*, there are five circumstances that would typically require a socioeconomic assessment:

- The action would directly displace residential populations so that the socioeconomic profile of the neighborhood would be substantially altered.
- The action would directly displace substantial numbers of businesses or employees, or it would directly displace a business or institution that is unusually important as follows:

- It has a critical social or economic role in the community and would have unusual difficulty in relocating successfully;
- It is of a type or in a location that makes it the subject of other regulations or publicly adopted plans aimed at its preservation;
- It serves a population uniquely dependent on its services in its present location; or
- It is particularly important to neighborhood character.

If any of these possibilities cannot be ruled out, an assessment should be undertaken.

- The action would result in substantial new development that is markedly different from existing uses, development, or activities within the neighborhood. Such an action 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 square feet or less would typically not result in significant socioeconomic impacts.
- Notwithstanding the above, the action may affect conditions in the real estate market not only on the site anticipated to be developed, but in a larger area. When this possibility cannot be ruled out, an assessment may need to be undertaken to address indirect displacement. These actions can include those that would raise or lower property values in the surrounding area.
- The action may adversely affect economic conditions in a specific industry.

If an action would exceed any of these initial thresholds, an assessment of socioeconomic conditions is generally appropriate. 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. Considering the five circumstances listed above can help identify those issues of socioeconomic assessment that apply to a particular action.

With the proposed actions, only one of the five circumstances listed above can be ruled out without a preliminary assessment—the project sites do not contain any residential uses and subsequently an assessment of direct residential displacement is not warranted. Therefore, this chapter addresses the remaining four areas of concern for CEQR.

ANALYSIS FORMAT

This chapter follows the preliminary and detailed assessment methodologies established in the *CEQR Technical Manual*. In conformance with *CEQR Technical Manual* guidelines, the analyses of the four areas of concern numbered above begins with a preliminary assessment. The purpose of the preliminary assessment is to learn enough about the effects of the proposed action to either rule out the possibility of significant adverse impacts or to determine that more detailed analysis will be required to resolve that question. With respect to indirect residential displacement, a detailed analysis is required to determine whether the proposed actions would result in significant adverse impacts.

The detailed analysis of indirect residential displacement is framed in the context of existing conditions and evaluations of the future without the proposed actions and the future with the proposed actions in 2017. In conjunction with the land use task (see Chapter 2), specific development projects that would occur in the area in the future without the proposed actions are identified, and the possible changes in socioeconomic conditions that would result, such as

potential increases in population, changes in the income characteristics of the study areas, new residential developments, and possible changes in rents or sales prices of residential units, are described. Those conditions are then compared with the future with the proposed actions to determine the potential for significant adverse impacts.

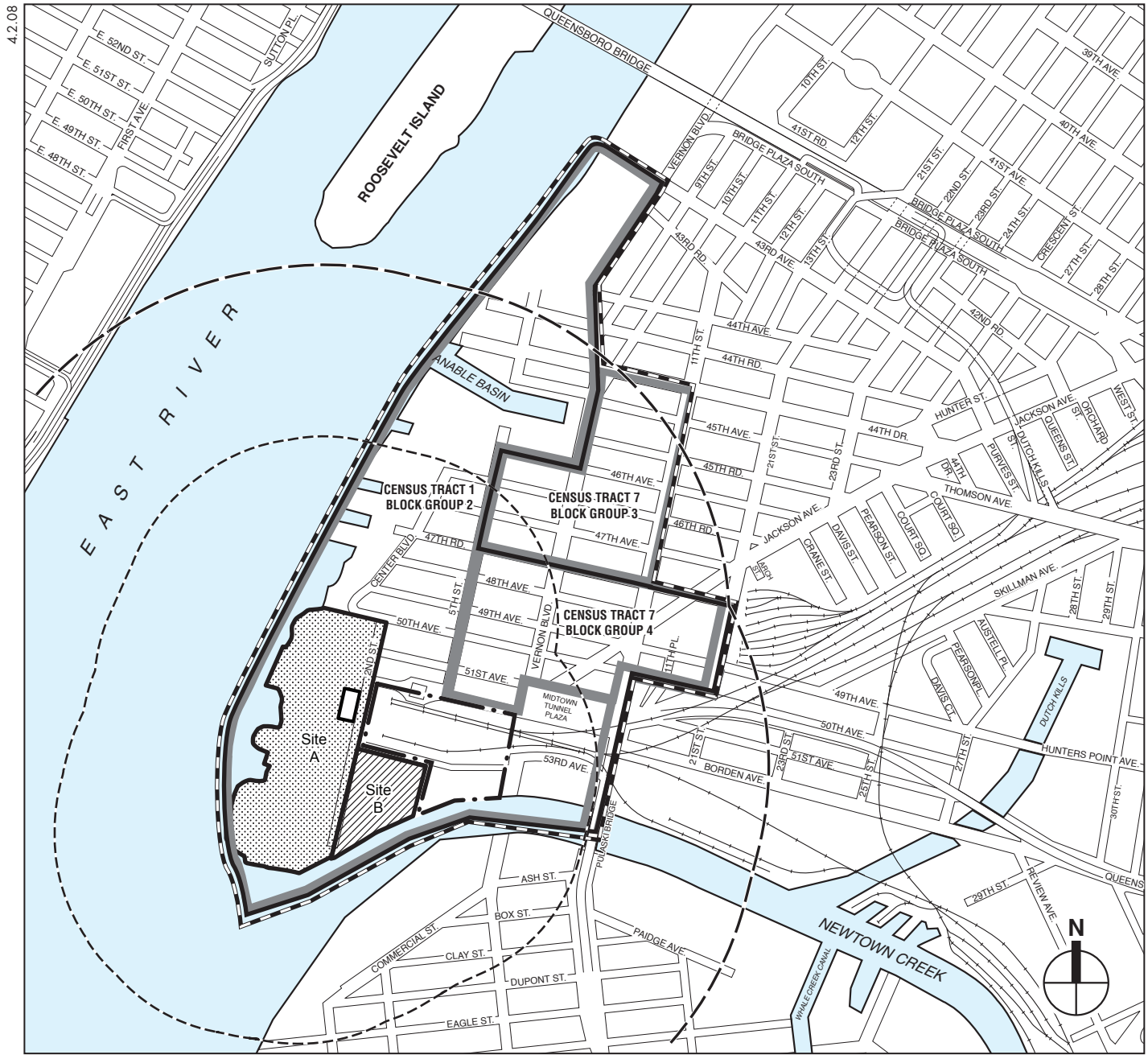
For purposes of providing a conservative analysis of the proposed actions, the envelope of potential development anticipated under the proposed actions includes up to 7.47 million gross square feet of new buildings; this potential development is referred to as the reasonable worst-case development scenario or RWCDS in this environmental impact statement (EIS) (see Chapter 1, "Project Description" for more information on the RWCDS). The RWCDS would generate the greatest potential off-site demand for housing and commercial space, which in turn would maximize potential indirect residential and business displacement pressures. Direct displacement is unaffected by variations in the types of uses considered for a worst-case scenario.

STUDY AREA DEFINITION

A study area is defined as the area most likely to be affected by a proposed action. Following the guidelines of the *CEQR Technical Manual*, the socioeconomic study areas approximate the ¼- and ½-mile primary and secondary study areas from the border of the project sites.

As shown in **Figure 3-1**, the primary study area extends north to Anable Basin (to encompass Site A, Site B, and the Queens West site), east to Vernon Boulevard, and south to Newtown Creek. The secondary study area includes the primary study area and the additional area approximately ½ mile from the border of the project sites. While some area of Brooklyn is located within the ½-mile radius of the project sites, Brooklyn was not included in the analysis, since Newtown Creek was considered to be a natural barrier between Queens and Brooklyn. Adjustments were made to the primary and secondary area delineations to better reflect neighborhood boundaries, and Census tract block group boundaries. (The Census tracts in the project neighborhood cover very large areas; therefore, for the purposes of this analysis, Census block groups were used.) Census block groups that straddle the study area boundaries were included or excluded in the study area calculations depending on what portion of the block group fell within the area (i.e., block groups with more than 50 percent of their land mass within an area were included). The following Census block groups were included in the primary study area: Block Group 2–Census Tract 1 and Block Group 4–Census Tract 7. The secondary study area includes (in addition to the Census block groups in the primary study area) Block Group 3–Census Tract 7. **Figure 3-1** shows the block groups and Census tracts that are included in each of the study areas.

For direct business displacement, the assessment compares and contrasts the business profile of the potentially displaced businesses within the project sites with the business profile of the adjoining neighborhoods within the larger study areas, and with Queens and New York City. Given that the potential indirect effects of the proposed actions would extend beyond the project sites into adjacent neighborhoods of the study areas, the indirect assessments focus on the characteristics of the study areas, and compare their socioeconomic profile with those of Queens and New York City. These analyses consider the potential for significant adverse impacts in both the primary and secondary study areas. The assessment of potential effects on a specific industry examines the displaced businesses in the broader New York City economy.



Socioeconomic Study Areas

HUNTER'S POINT SOUTH REZONING AND RELATED ACTIONS

Figure 3-1

DATA SOURCES

DIRECT AND INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT AND EFFECTS ON SPECIFIC INDUSTRIES ANALYSES

The assessments of direct and indirect business and institutional displacement consider business and employment trends on the project sites and within the surrounding primary and secondary study areas. The data for the project sites, which were used to estimate the total number and types of jobs currently on the project sites, were based on a field survey conducted in October 2007 and standard industrial ratios for employment density. Because the study area north of Borden Avenue contains a mixture of residential, manufacturing, and commercial land uses, and the study area south of Borden Avenue contains only manufacturing and commercial land uses with no residents, these two areas were treated separately in the analysis of the potential for the indirect displacement of businesses. An additional site visit was made in March 2008 to identify businesses concentrated in the area south of Borden Avenue between 2nd Street and Vernon Boulevard, (referred to as the South of Borden Avenue Subarea in this chapter). Collectively, the business and employment data identify the employers and industries that characterize the study areas. The analysis of employment within the study areas is based on field surveys, 2000 Census data, and New York City Department of Finance Real Property Assessment Data (RPAD) information.

Following the employment analysis is a discussion of real estate trends on the project sites and in the study areas. A variety of data sources were consulted. The analysis provides a review of recent real estate articles, planning studies, and publications that were consulted.

INDIRECT RESIDENTIAL DISPLACEMENT ANALYSIS

The indirect residential displacement assessment begins with an analysis of existing demographic characteristics and trends, based on data from the 1990 and 2000 U.S. Census. Population and income profiles were developed for the residents that could be displaced in the primary and secondary study areas. The analysis includes, as appropriate, such parameters as the total number of residents, occupation, age, total households, average household size, median income, and poverty status. Housing profiles also were developed for the study areas that include such data as total housing units, occupancy, tenure, number of rooms, contract rent, and age of housing stock, using U.S. Census information, RPAD information, real estate market data, and New York City Department of Housing Preservation and Development (NYCHPD) data. AKRF also conducted a real estate survey by obtaining rent information from major print news media in New York City (e.g., *The New York Times*), online resources (including Craigslist and the Corcoran Group's web site), and brokers and real estate developers familiar with the area.

To determine the number of residents currently located within the study areas, data were compiled from the 2000 Census for the block groups in each study area. The 2000 population obtained from the Census was then adjusted for the two study areas to reflect any changes that have occurred between 2000 and 2006, as follows. RPAD information from the New York City Department of Finance was used to identify new residential units constructed between 2000 and 2006. The weighted average household size for the secondary study area, as reported in the 2000 Census, was applied to those new units to identify the number of new residents added to the study area since the 2000 Census. The existing population for both the primary and secondary study areas was determined by adding the number of residents reported in the 2000 Census and the residents occupying the new units that were completed since then.

C. PRELIMINARY ASSESSMENT

Under *CEQR Technical Manual* guidelines, the first step in a socioeconomic impact analysis is a preliminary assessment. This section examines four areas of potential socioeconomic impact in relation to the proposed actions. The proposed actions are framed in the context of the RWCDS, as described in Chapter 1, "Project Description." The goal of a preliminary assessment is to learn enough about the potential effects of a proposed action either to rule out the possibility of significant impact or to establish that a more detailed analysis is required to determine whether the proposed action would cause significant adverse impacts.

For three of the four issue areas—direct business and institutional displacement, indirect business and institutional displacement, and adverse effects on specific industries—the preliminary assessment rules out the possibility that the proposed actions would have a significant adverse impact as defined in the *CEQR Technical Manual*. For the one remaining area—indirect residential displacement—the preliminary assessment indicates that a more detailed analysis is necessary to adequately assess whether the proposed actions would have significant adverse impacts. That detailed analysis follows this preliminary assessment in section D of this chapter.

PRELIMINARY ASSESSMENT: DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

Direct displacement is the involuntary displacement of businesses or institutions (e.g., community groups, charities, and other nonprofit organizations) from the site of a proposed action (in this case, the project sites). As discussed above, according to the *CEQR Technical Manual*, a significant direct displacement impact may occur if the businesses or institutions in question have substantial economic value to the City or region; are the subject of regulations or publicly adopted plans to preserve, enhance, or otherwise protect them; or substantially contribute to a defining element of the neighborhood character.

As shown in **Figure 3-1**, the project sites consist of Sites A and B, which together cover more than 37.5 acres. Site A—which is generally bounded by 50th Avenue to the north, 2nd Street to the east, Newtown Creek to the south, and the East River to the west—is occupied by a variety of uses, including a private tennis club, the New York Water Taxi ferry landing and Water Taxi Beach, and staging area for a construction company as well as vacant land. The tennis club is located in the northern third of the site. The ferry landing and Water Taxi would be relocated to another location within the project sites and therefore would not be directly displaced by the proposed actions.

Site B—bounded by 54th Avenue to the north, Newtown Creek to the south, the western side of the prolongation of 5th Street to the east, and 2nd Street to the west—is occupied by low-rise manufacturing buildings used by Anheuser-Busch as a distribution facility and by NBC for a combination of storage, office, and studio-related uses. Independent of the proposed actions, the existing Anheuser-Busch distribution facility will relocate to a new 12-acre vacant waterfront site in the Hunts Point Food Distribution Center in the Bronx. This analysis assumes that, without the proposed actions, this space would be re-tenanted by a similar use. With the proposed actions, the potential for this site to be occupied by manufacturing uses would be lost. NBC currently leases its space through the end of 2010. Again, this analysis assumes that if the proposed actions are not implemented, either NBC will re-sign its lease, or another similar use will occupy this space. Thus, with the proposed actions, the use of this site for manufacturing

purposes would be lost; the business currently on the site (or a similar business) is also considered to be displaced.

A preliminary assessment of direct business and institutional displacement, using the *CEQR Technical Manual* threshold indicators (numbered in italics below), is provided to determine the potential for significant adverse impacts.

1. Do the businesses or institutions in question have substantial economic value to the City or region, and can they be relocated only with great difficulty or not at all?

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

The three businesses that would be directly displaced consist of a tennis club on Site A and a distribution facility and an office/studio/storage facility on Site B. None of these businesses provide products or services unique to New York City or regional area. In terms of employment, there are a total of 45 workers at the tennis facility and an estimated total of 183 employees at both the distribution and office/studio/storage facilities.[1] Census data indicate that in 2000, approximately 7,290 persons were employed in the primary study area and 9,855 persons were employed within the secondary study area. The 228 workers that would be displaced represent approximately 3.1 and 2.3 percent of the primary and secondary study area worker populations, respectively; therefore, the proposed actions would not result in a substantial employment loss within the study areas.

Tennisport is currently in the process of being acquired under eminent domain proceedings put into motion by the State of New York in 2002 in accordance with the Queens West General Project Plan. This analysis assumes that the tennis club will not seek to relocate its operations. The permanent loss of this use does not constitute a significant adverse impact according to the *CEQR Technical Manual*, due to the fact that the tennis club does not have substantial economic value to the City.

The businesses on Site B do not appear to have site-specific needs unique to their current location; available warehouse, and storage space in the City affords these businesses close proximity to existing and new clientele. Real estate data indicate that suitable space for this type of business is available in Queens or elsewhere within the City. Recent real estate advertisements indicate available space within the Long Island City Industrial Business Zone (IBZ), which is east of Site B, as well as the North Brooklyn IBZ, Sunset Park, Gowanus, and the Hunts Point IBZ. Current relocation plans are under way for Anheuser-Busch's distribution facility, which will move to the Hunts Point IBZ in 2008.

According to a January 2007 article in *Crain's New York Business*, rents for industrial space range between $10 and $12 per square foot in Queens, and between $8 and $10 in the Bronx.[2] For this reason, relocation of a future distribution tenant or NBC office/studio/storage facility is feasible in respect to proximity and price range.

Displacement of the businesses would not have an adverse effect on the remaining businesses or consumers in the study areas. The establishments subject to displacement do not provide goods

[1] Employee information was received from the tennis club in January 2008.

[2] "Industrial Real Estate Trends in Queens and the Bronx," *Crain's New York Business*, January 14, 2007.

and services that local residents or businesses rely on for their day-to-day needs, nor are they businesses that require close proximity to study area establishments. Recreational and dining opportunities, storage, and warehousing and distribution services are offered by businesses throughout the City.

2. Is the category of businesses or institutions that would be directly displaced subject to regulations or publicly adopted plans to preserve, enhance, or otherwise protect it?

The potentially displaced businesses are not the subject of current public policy seeking to preserve and protect their business category. The proposed actions would result in a loss of area zoned for manufacturing uses in the City, but this loss would not be considered significant.

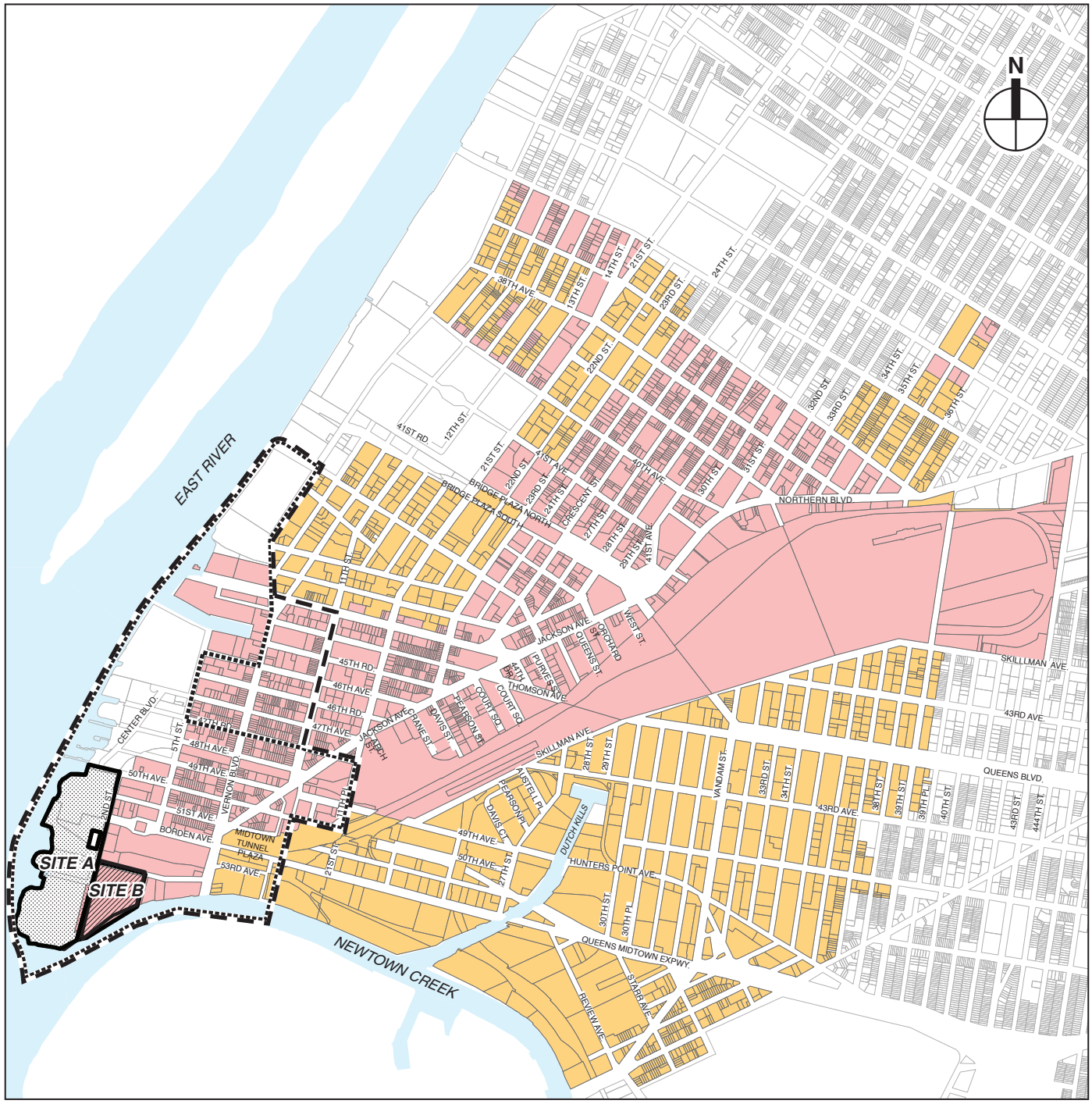
As described in Chapter 1, public policies under the Queens West General Project Plan (GPP) currently in place for Site A were intended to govern new development of Site A, giving way to a mix of residential and non-residential land use. Similarly, the New York City *Industrial Policy: Protecting and Growing New York City's Industrial Job Base* (January 2005) outlines the City's comprehensive policy as it relates to the industrial sector. This policy identifies 16 IBZs throughout the City where manufacturing uses are to be protected and encouraged. As discussed in Chapter 2, "Land Use, Zoning, and Public Policy," Industrial Business Zones are manufacturing areas for which the City has committed to not implement zoning changes or variances that would allow a change from manufacturing use to residential use. The City is also committed to providing technical and financial assistance to industrial businesses within IBZs and making tax credits available to firms that relocate to IBZs. Neither Site A nor Site B is located within an IBZ.

As shown in **Figure 3-2**, Site B and a small portion of Site A (Lot 10) are located within a City-designated Industrial Ombudsman Area. Industrial Ombudsman Areas are designed for mixed-use areas adjacent to IBZs, where it is assumed that businesses face unique challenges. For each of these areas, the City has designated an ombudsperson to: (1) respond to area problems as they relate to particular industrial uses; (2) serve as a contact person for questions or issues; and (3) provide direct access to incentive programs and help resolve maintenance and other regulatory issues. Although the office/studio/storage facility and the distribution facility on Site B may have benefitted from the services provided by an Industrial Ombudsperson, the proposed actions do not directly nullify this service; moreover, the proposed actions would comply with policy set forth by the larger New York City *Industrial Policy.*

3. Do the businesses or institutions in question define or contribute substantially to a defining element of neighborhood character, or do a substantial number of businesses or employees that would be displaced collectively define the character of the neighborhood?

According to the *CEQR Technical Manual*, neighborhood character is defined by certain features, such as land use, urban design, visual resources, historic resources, socioeconomic conditions, traffic, or noise, which, depending on the neighborhood in question, create its distinct "personality." The businesses that would be displaced do not individually or collectively define neighborhood character within the study areas. As detailed in Chapter 2, "Land Use, Zoning, and Public Policy," the study areas are characterized by a mix of uses, including residential, commercial office, industrial, community facilities, and open space. The limited displacement of these three businesses—a tennis facility (Site A), and a distribution facility and an office/studio/ storage facility (Site B)—resulting from the proposed actions would not substantively alter socioeconomic conditions within the study areas.

4.2.08



Site A

Site B

Industrial Business Zone

Industrial Ombudsman Area

Primary Socioeconomic Study Area Boundary

Secondary Socioeconomic Study Area Boundary

Long Island City Industrial Business Zone and Ombudsman Area

As shown in **Table 3-1,** economic sectors with the highest employment in the primary and secondary study areas (i.e., those that contribute substantially in an economic sense) are "construction" (16.4 percent) and "educational, healthcare and social services" (15.4 percent), followed by "wholesale trade" (12.3 percent) and "manufacturing" (11.4 percent). These sectors do not have employees that would be displaced by the proposed actions. U.S. Census data from the year 2000 indicate the jobs to be displaced are part of two industry sectors: 1) transportation, warehousing and utility jobs, and 2) the arts, entertainment, recreation, accommodation and food services industry.

Table 3-1
Breakdown of Employment by Industry in the Study Area, 2000

Type of Job by NAICS Category	Primary Study Area		Secondary Study Area		Queens County		New York City	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting and mining	10	0.1%	35	0.4%	325	0.1%	2,190	0.1%
Construction	1,195	16.4%	2,110	21.4%	43,785	7.3%	171,880	4.6%
Manufacturing	830	11.4%	1,165	11.8%	46,945	7.9%	226,425	6.0%
Wholesale trade	895	12.3%	1,000	10.1%	21,700	3.6%	119,075	3.2%
Retail trade	300	4.1%	375	3.8%	56,170	9.4%	306,860	8.2%
Transportation and warehousing and utilities	635	8.7%	1,360	13.8%	85,285	14.3%	248,485	6.6%
Information	260	3.6%	290	2.9%	15,755	2.6%	219,010	5.8%
Finance, insurance, real estate and rental and leasing	130	1.8%	180	1.8%	35,980	6.0%	488,170	13.0%
Professional, scientific, management, adminis-trative, and waste management services	705	9.7%	830	8.4%	38,720	6.5%	475,170	12.7%
Educational, health and social services	1,125	15.4%	1,195	12.1%	143,245	24.0%	838,210	22.3%
Arts, entertainment, recreation, accommo-dation and food services	285	3.9%	340	3.5%	38,500	6.5%	276,230	7.4%
Other services (except public administration)	230	3.2%	250	2.5%	35,445	5.9%	189,985	5.1%
Public administration	690	9.5%	720	7.3%	34,480	5.8%	191,280	5.1%
Armed forces	0	0.0%	0	0.0%	215	0.0%	2,145	0.1%
Total	7,290	100.0%	9,855	100.0%	596,550	100.0%	3,755,115	100.0%

Sources: U.S. Census Bureau, Reverse Journey-to-Work, 2000; categorized by the North American Classification System (NAICS).

The proposed actions would displace an estimated 183 employees working in the transportation, warehousing, and utilities sector. As of 2000, the study area had 635 jobs in this sector; the 183 estimated employees on Sites A and B make up 28.8 percent of that total. The proposed actions would displace 45 employees in the arts, entertainment, recreation, accommodation and food services sector, or 15.8 percent of the study area's total workers in that sector. While these are considerable percentages, the sectors from which displacement would occur do not constitute a substantial amount of the overall study area's employment. Therefore, the displacement would not significantly affect the character of employment in the study area.

PRELIMINARY ASSESSMENT: INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The preliminary assessment of indirect business and institutional displacement focuses on whether the proposed actions could increase commercial property values and rents within the primary or secondary study areas, so that it would be difficult for some categories of businesses to remain in the area. A preliminary assessment of the potential for indirect business and institutional displacement, using the *CEQR Technical Manual* threshold indicators (numbered in italics below), is provided to determine the potential for significant adverse impacts.

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

The proposed actions would not introduce a new economic activity to the study areas. The proposed actions would introduce approximately 6.65 million square feet of residential space, 126,500 square feet of retail space, 45,000 square feet of community facility space, a 180,000-square-foot public school, 2,660 accessory parking spaces, and 13.4 acres of publicly accessible open space. While some of the uses proposed would be substantial additions to the study areas, they do not represent new uses.

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 actions would not alter or accelerate trends to alter existing economic patterns. Based on Census and RPAD data, there was substantial growth in the number of study area housing units between 2000 and 2006; specifically, the unit count increased by approximately 39.2 percent in the primary study area and 30.6 percent in the secondary study area. This increase included the addition of Avalon Riverview, containing 372 residential units. Independent of the proposed actions, developments planned for completion by 2017 will introduce a total of residential 5,511 units to the primary study area, and an additional 476 to the secondary study area. These include the buildings at Queens West that have been completed since 2006 as well as the additional planned Queens West buildings and other developments currently under construction, such as the PowerHouse, One Hunters View, and The Foundry. Projects independent of the proposed actions will also add a significant amount of retail space to the primary study area, as well as a notable share of community facility space.

This information indicates a considerable trend of residential development in this area, some of which has converted from pre-existing industrial space to residential units. **Table 3-17**, "Projects Planned for Completion by 2017," presented later in this chapter in the detailed analysis of indirect residential development shows that a total of 144,075 square feet of retail space will be added to the primary study area. Due to the existing trend toward combined residential and retail development, the proposed actions—which would introduce a total of 126,500 square feet of potential retail space—would not 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. According to the *CEQR Technical Manual*, commercial development of 200,000 square feet or less would typically not result in significant socioeconomic impacts.

The CEQR preliminary assessment suggests identifying whether there are categories of businesses or institutions that are vulnerable to indirect displacement. 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 areas; 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 the secondary study area, there is an existing trend toward increased demand for convenience goods and neighborhood services from the growing residential and employee populations. Uses that are less compatible with residential conditions (such as manufacturing) are less able to afford increases in rent due to increases in property values compared with a neighborhood services use, such as a restaurant, which could see increased business activity from the increased residential and employee presence.

Even certain commercial uses within sectors that are generally compatible with economic trends may be vulnerable if their product is directed toward a demographic market that is declining in the area. For example, although neighborhood services and convenience goods stores generally benefit from increases in residential population, if a store targets a particular demographic group whose numbers are decreasing within the study areas even as total population is increasing, then that store may be vulnerable to displacement due to increases in rent. Increased volumes of pedestrian traffic and/or changing demographics of the area could result in changes in consumer preferences, and some discount apparel and conveniences stores may be less likely to capture spending dollars from new, more affluent residents and workers in the area. The proposed actions would introduce a substantial new consumer base for retail goods, but these new consumers would have a range of incomes, and would be expected to demand goods and services at a variety of price points.

Area businesses most vulnerable to indirect displacement due to increased rents include light industrial businesses, such as parking or light manufacturing, located in areas where commercial uses are permitted under existing zoning. Throughout much of the study area there is an existing trend toward increased residential uses and commercial uses that cater to residents' needs, and this trend has generated rent pressures on existing light industrial uses. However, the area south of Borden Avenue has not, as of yet, experienced a change in its current economic activities due to these pressures, in large part because new residential development has occurred in areas north of Borden Avenue.

In introducing residential uses on Site B (south of Borden Avenue), the proposed actions could influence market conditions in the South of Borden Avenue Subarea. As shown in **Table 3-2,** the 16 industrial businesses within the subarea consist of manufacturing, commercial, transportation, parking and storage uses—none of which provide day-to-day convenience goods to the existing residential population. It is possible that some light industrial businesses within the subarea could experience rent pressures borne out of a desire on the part of landowners to convert to retail uses allowable under M1-4 zoning that would serve the future residential population. Landowners within the South of Borden Avenue Subarea also may view conversion to residential land uses as a lucrative real estate opportunity; however, residential conversion would require that a landowner submit applications for zoning changes or variances as leases expire (rezoning actions would be subject to environmental review under CEQR at the time an application is made). Under either potential scenario, indirect business displacement could result. However, the potential for indirect displacement would likely be limited to periphery locations within the South of Borden Avenue Subarea (e.g., the north side of 54th Avenue north of Site B) which would be located closest to residential uses intended for Site B; the interior of the subarea would be further removed from residential uses and less likely to capture sales from increased residential pedestrian activity. In addition, as illustrated in **Figure 3-2**, all establishments in the South of Borden Avenue Subarea are located within the Long Island City Industrial Ombudsman

Area, which provides business support and services that enhance the area's value as an industrial location and in doing so could temper market forces to convert to other uses.

Table 3-2
Land Uses on Study Area Lots South of Borden Avenue

Block	Lot	Type of Business / Land Use	Business
13	1	Transportation and Utility	LIRR Long Island City passenger station and Long Island City train storage yard
13	35	Light Industrial/Manufacturing	Barker Steel Company, Inc.
13	100	Light Industrial	Wallwork Group Heating and AC distributors
13	105	Light Industrial Commercial and Office Buildings	Wallwork Group Heating and AC distributors Top Proud Food Inc. McGraime Woodworking Black & Yellow Major Auto Parts Inc. Salt & Pepper Food Comstock Company Secretariat of US Chinese -Chamber of Commerce Strong America Ltd.
13	135	Transportation and Utility	Triborough Bridge and Tunnel Authority maintenance facility
13	175	Light Industrial/Manufacturing	Keystone Iron Works
36	1	Commercial and Office Buildings	TEC Systems Inc. Creative Engineering LiteLab, Ambassador Food Services Corp. Squire Maintenance & Environmental Services
36	70	Parking Facilities/Storage	Arpielle Equipment Company storage
36	75	Commercial	Arpielle Equipment Company office building
36	90	Light Industrial/Manufacturing	Arpielle Equipment Company storage
Total Businesses		**16**[1]	

Notes: [1] This total does not include the LIRR Long Island City passenger station or train storage yard or the Triborough Bridge and Tunnel Authority maintenance facility.
Source: AKRF, Inc. site visit on March 18, 2008.

Overall, the potential for indirect displacement resulting from the proposed actions is limited and therefore would not substantially alter or accelerate trends to alter existing economic patterns within the study areas as a whole. Similar to the uses directly displaced by the proposed actions, the light industrial businesses vulnerable to indirect displacement do not have substantial economic value to the City or region as defined under CEQR, and it is expected based on the availability of industrial space elsewhere that they could relocate without great difficulty.

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?

Field surveys of the exteriors of properties indicate that buildings on Site B generally appear to be in good physical condition; the site contains active uses and does not impose poor physical conditions on the surrounding area. As noted earlier in this chapter and in Chapter 2, "Land Use, Zoning, and Public Policy," Site A is currently underutilized and largely vacant. While the northern portion of Site A is occupied by Tennisport, a tennis club, the southern portion houses only a surface parking lot and vacant, undeveloped land.

The proposed actions' displacement of the uses on Sites A and B is not expected to significantly affect commercial property values in the surrounding study area. Much of Site A is physically isolated from the surrounding area by virtue of its location at the southwestern corner of the mixed-use Hunter's Point neighborhood, separated from that mixed-use neighborhood by the Long Island City passenger station. Overall, the natural and man-made barriers surrounding Site A create physical and visual disconnects between Site A and most of the surrounding area, limiting the influence of Site A on commercial property values. The displacement of existing uses and properties on Site A would not, in itself, lead to rises in commercial rents. Question 2, above addresses the issue of whether new uses introduced with the proposed actions could lead to increases in commercial rents.

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 uses that would be directly displaced—a private tennis club and distribution and office/ studio/storage facilities—do not directly support businesses in the area or bring large numbers of people to the area that form a customer base for local businesses. As discussed in the preliminary assessment of direct business and institutional displacement, local businesses do not rely on the potentially displaced businesses' products and services for day-to-day needs.

It is anticipated that the New York Water Taxi ferry landing would be moved to a new location within the project sites. The relocation of this use would not substantively affect its user base.

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 actions would not directly or indirectly displace residents, workers, or visitors to an extent that would affect the customer base of existing businesses in the study areas. The proposed actions would displace a tennis facility, but the loss of regular visitation to this use would not jeopardize the viability of any study area businesses. It is unlikely that a substantial number of linked trips are associated with the tennis facility, as there are no businesses close to the tennis facility that are likely to benefit from the facility's visitors.

While the employees of directly displaced businesses and indirectly displaced residents may form a portion of the customer base of neighborhood service establishments (food and drink establishments, retail, etc.), they would be replaced by the development's new residents and retail and community facility employee population, as intended by the goals of the proposed actions. Overall, the proposed actions would result in a net increase in residents, workers, and visitors to the project sites that would add to the customer base of existing study area businesses.

6. ***Would the proposed actions introduce a land use that could (1) have a similar indirect effect, through the lowering of property values if it is large enough or prominent enough, or (2) 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?***

The purpose of the proposed actions is to implement a development plan for a large-scale housing development that provides a substantial amount of affordable units, with associated ground-floor retail amenities and community facility uses. The proposed new housing would be an integral part of the City's New Housing Marketplace plan for the provision of 165,000 units of affordable housing. Overall, the proposed actions are intended to transform the largely

underutilized waterfront area into a new, enlivened, and affordable residential neighborhood. As mentioned in the previous question, the proposed actions would—by means of expanding the customer base—initiate a substantial amount of new economic activity in the study area. This new activity could potentially increase property values; and would therefore not offset positive trends in the area, impede efforts to attract investment to the area, or create a climate for disinvestment.

The proposed actions would also establish new publicly accessible waterfront recreation areas, providing significant benefits to the Long Island City community, the Borough of Queens, and the City as a whole.

PRELIMINARY ASSESSMENT: 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. A preliminary assessment of the adverse effects on specific industries, using the *CEQR Technical Manual* threshold indicators (numbered in italics below), is provided to determine the potential for significant adverse impacts.

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

The businesses to be displaced are not particularly concentrated in one specific industry. The economic sectors represented by the three businesses that would be displaced by the proposed actions consist of a combination of services: a tennis facility and distribution and office/studio/ storage space. These services offered by the businesses to be displaced are not essential to the viability of other businesses within or outside of the study areas. In this case, there is not likely to be an adverse impact on any specific industry within or outside the study areas.

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

As stated above, no particular industry would be affected by the proposed actions. As discussed earlier in this chapter in the preliminary assessment of direct business and institutional displacement, according to the 2000 U.S. Census, a total of 228 employees that would be displaced would account for 2.1 percent of employees within block groups of the primary study area. Therefore, an adverse impact on the industry or category of businesses is not likely.

PRELIMINARY ASSESSMENT: INDIRECT RESIDENTIAL DISPLACEMENT

In most cases, 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.

A preliminary assessment of the potential for indirect residential displacement, using the *CEQR Technical Manual* threshold indicators (numbered in italics below), is provided to determine the potential for significant adverse impacts.

Based on *CEQR Technical Manual* guidelines, the preliminary assessment of indirect residential displacement evaluates the criteria numbered in italics below to determine whether the proposed actions could result in significant adverse impacts within the primary or secondary study areas.

Overall, this preliminary assessment could not rule out the possibility of significant adverse impacts, and, therefore, a detailed analysis of indirect residential displacement is presented in section D, "Detailed Analysis of Indirect Residential Displacement."

1. Would the proposed actions add a substantial new population with different socioeconomic characteristics compared with the size and character of the existing population?

Based on the 2000 Census and RPAD information, in 2006 there were approximately 2,045 dwelling units in the secondary study area that housed an estimated 3,852 residents.[1] Under the RWCDS, by 2017 the proposed actions would introduce approximately 6,650 housing units to the project sites. In total, the 6,650 new units would add a projected 12,968 residents to the study areas.[2] This projected new population represents approximately 337 percent of the year 2006 population in the study areas. According to the *CEQR Technical Manual*, if a proposed action could increase a study area population by greater than 5 percent, there is the potential to affect socioeconomic trends significantly. A detailed analysis is required to determine whether the proposed actions could generate significant adverse socioeconomic impacts due to indirect residential displacement (see section D, "Detailed Analysis of Indirect Residential Displacement").

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

As described above in the preliminary assessment of the potential for indirect business and institutional displacement, question 3, the proposed actions would directly displace uses and properties on Site A that contain undesirable conditions. However, the proposed actions' displacement of uses and properties, in isolation, is not expected to affect residential property values in the surrounding study area. Much of Site A is physically isolated from the surrounding area by virtue of its location at the southwestern corner of the mixed-use Hunter's Point neighborhood, separated from that mixed-use neighborhood by the Long Island City passenger station. Overall, the natural and man-made barriers surrounding Site A create physical and visual disconnects between Site A and most of the surrounding area, limiting the influence of Site A on residential property values. The displacement of existing uses and properties on Site A would not, in itself, lead to rises in residential rents. Section D, "Detailed Analysis," addresses the issue of whether new uses introduced with the proposed actions could lead to increases in residential rents.

---

[1] The 2006 residential population figure for the study area is an estimate based on the 2000 U.S. Census population data and estimated population growth based on the most current available Real Property Assessment Database (RPAD) data from the New York City Department of Finance. The resident population estimate is calculated by multiplying the total residential units built between 2000 and 2006 by the average household size of the secondary study area to estimate the 2006 population. The estimated population growth between 2000 and 2006 is added to the total population in 2000 from the U.S. Census, to estimate the total population of the study area in 2006.

[2] The estimate of total residents in the study area is based on an average household size of 1.95 in the secondary study area.

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

As discussed above, the project sites do not contain any residential units. Therefore, the proposed actions would not directly displace enough of one or more components of the population to alter the socioeconomic composition of the study areas.

4. Would the proposed actions introduce a substantial amount of a more costly type of housing compared with existing housing and housing expected to be built in the study areas by the time the action is implemented?

The proposed actions would introduce a mix of affordable and market-rate housing; approximately 3,330 of the units would be affordable housing units, and the remaining 3,230 would be market-rate units. Of the 3,300 units, 3,000 units on Site A would be affordable to middle-income households, and 330 units on Site B would be permanently affordable to low- to moderate-income households. The affordable housing units would rent at prices comparable to or below most existing rents in the study areas. The market-rate units would likely rent or sell at the high end of the market and would be more costly than most existing housing stock in the study areas. However, the new market-rate units would have a comparable price-point to the many recently built market-rate residential units in the study areas, as well as new developments that are planned to be in place by 2017.

Current rents for available housing units in the area are significantly higher than median contract rents reported in the 2000 Census. Current apartment listings indicate that on average, market-rate one-bedroom apartments (i.e., apartments that are not subject to rent regulations) in Long Island City rent for roughly $1,600 to $4,000 per month, respectively, while market-rate two-bedroom units in Long Island City rent for between $1,800 and $5,250 per month (see **Table 3-10** later in this chapter). Apartments in 5th Street Lofts, a new development located at 509 48th Avenue, cost between $400,000 and $1.4 million.[1] By 2017, development in the future without the proposed actions is expected to generate approximately 5,586 new market rate units in the secondary study area. Therefore, the proposed actions would not introduce a substantial amount of more costly housing compared with existing housing and housing expected to be built in the study areas by the time the action is implemented.

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

The proposed actions would not introduce a critical mass of non-residential uses such that the area becomes more attractive as a residential neighborhood "complex," because the area already contains a critical mass of residential amenities. Residents living in the study areas already have access to a variety of retail goods and services within walking distance of their homes, and that retail access will continue to expand in the future without the proposed actions. The proposed actions would also introduce other non-residential uses, including 13.4 acres of open space, 126,500 square feet of retail space, 45,000 square feet of community facility use, and a 1,600-seat school.

The *CEQR Technical Manual* suggests that commercial development of 200,000 square feet or less would typically not result in significant socioeconomic impacts. Given that the study areas already contain a critical mass of non-residential uses, and that the proposed actions would introduce approximately 126,500 square feet of retail (less than the CEQR threshold), the non-

[1] http://www.streeteasy.com/nyc/building/509-48th-avenue-queens

residential uses introduced by the proposed actions are not expected to have a substantial effect on residential rents in the study areas.

6. Would the proposed actions introduce a land use that could have a similar effect if it is large or prominent enough, or combines with other like uses to create a critical mass large enough to offset positive trends in the study areas, to impede efforts to attract investments to the area, or to create a climate for disinvestment?

The proposed actions would not impose any type of change that would diminish investment in the study areas. To the contrary, the proposed actions would introduce new uses and populations to the project sites that would generate substantial direct and induced economic activity within the study areas. As described in Chapter 1, the overall purpose of the proposed actions is to implement a development plan for a large-scale housing development that provides a substantial amount of affordable units, with associated ground-floor retail amenities and community facility uses; promote economic growth and job creation; and improve the quality of life for area residents. Overall, the proposed actions are intended to transform the largely underutilized waterfront area into a new, enlivened, and affordable residential neighborhood.

In sum, the potential for the proposed actions to result in significant adverse impacts due to indirect residential displacement could not be ruled out through this preliminary assessment. Following *CEQR Technical Manual* guidelines, a detailed analysis is provided in section D, "Detailed Analysis of Indirect Residential Displacement."

D. DETAILED ANALYSIS OF INDIRECT RESIDENTIAL DISPLACEMENT

The preliminary assessment presented in section C could not rule out the possibility that the proposed actions could cause significant adverse impacts through indirect residential displacement. Therefore, a detailed analysis of indirect residential displacement is presented below.

In accordance with *CEQR Technical Manual* guidelines, the detailed analysis is divided into three sections: existing conditions; the future without the proposed actions; and the future with the proposed actions, which includes a determination of whether the proposed actions would cause significant adverse impacts.

Following the methodology of the *CEQR Technical Manual*, the approach to a detailed assessment of indirect residential displacement is similar to that of the preliminary assessment but requires more in-depth analysis of Census information and can include field surveys and interviews. The objective of the analysis is to characterize existing conditions of residents and housing in order to identify populations that may be vulnerable to displacement ("populations at risk"), to assess current and future socioeconomic trends in the area that may affect these populations, and to examine the potential effects of the proposed actions on prevailing socioeconomic trends and, thus, their potential impact on the identified populations at risk.

The following sections describe the population and housing characteristics of the study areas (which include the project sites) as they relate to potential indirect residential displacement. They outline trend data since 1990 and compare study area characteristics with the characteristics of Queens and New York City as a whole.

EXISTING CONDITIONS

According to the Census, in 2000 the primary study area contained 2,182 residents, while the secondary study area (which includes the primary study area) contained 2,918 residents. The last decade recorded by the Census shows substantial population growth in both study areas. As shown in **Table 3-3**, the secondary study area's population increased by 54.1 percent from 1990 to 2000—growing at a faster rate than the Borough of Queens (14.2 percent) and the City as a whole (9.4 percent). The primary study area, which contains two block groups, including the project sites, experienced a 75.8 percent increase in population. In absolute numbers, the primary study area population grew from 1,241 residents in 1990 to 2,182 in 2000, an increase of 941 residents.

Table 3-3
Population Trends

Area	1990 Residents	2000 Residents	Absolute Change 1990 to 2000	Percentage Change 1990 to 2000
Primary study area	1,241	2,182	941	75.8
Secondary study area	1,893	2,918	1,025	54.1
Queens	1,951,598	2,229,379	277,781	14.2
New York City	7,322,564	8,008,278	685,714	9.4

Note: The secondary study area includes the primary study and represents the study area total.
Source: U.S. Department of Commerce, Bureau of Census: 1990 and 2000 Census.

Based on RPAD, in 2006 there were an estimated 1,655 housing units within the primary study area and 2,045 housing units within the secondary study area. Applying the 2000 Census weighted average household size of the secondary study area to the RPAD housing unit data, the primary and secondary study area had an estimated 3,091 and 3,852 residents, respectively, in 2006. See **Table 3-4.**

Table 3-4
2006 Population Estimate

Area	2000 Residents	2000 – 2006 New Units	2000 – 2006 New Population**	2006 Estimated Population
Primary study area	2,182	466	909	3,091
Secondary study area*	2,918	479	934	3,852

Notes:
* The secondary study area includes the primary study and represents the study area total.
** The new population is estimated by multiplying the housing units built between 2000 and 2006 by the weighted average household size of 1.95 of the secondary study area.
Sources: U.S. Department of Commerce, Bureau of Census: 2000 Census & New York City Department of Finance Real Property Assessment Data (RPAD)

As the population of the study areas has grown, its age distribution has shifted downward, yielding a population that is generally younger (according to 2000 Census data) than it was in 1990. **Table 3-5** shows the percent of the total population falling into each age bracket in 1990 and 2000. The proportion of the population that might be considered to be the "young workforce" (ages 18 to 29) decreased by approximately 0.8 percentage points between 1990 and 2000, from 22.8 percent in 1990 to 22.1 percent in 2000, in the secondary study area. The population in the age group of 35 to 49 years has grown significantly by 70.7 percent and 87.2 percent in the primary and secondary study areas, respectively.

Table 3-5
Age Distribution as Percent of Total Population, 1990 and 2000

	1990 (Percent of Total Population)								2000 (Percent of Total Population)							
	0-17	18-24	25-29	30-34	35-39	40-49	50-59	60+	0-17	18-24	25-29	30-34	35-39	40-49	50-59	60+
Primary study area	15.6	11.4	12.3	13.4	10.2	10.1	9.3	17.6	12.2	9.1	14.1	13.6	10.5	17.2	9.9	13.2
Secondary study area	15.3	10.1	12.7	14.4	9.8	10.3	8.9	18.5	12.9	8.7	13.4	13.6	10.6	17.5	9.5	13.9
Queens	22.8	8.1	8.3	8.7	8.7	15.1	10.7	16.8	21	10.2	9.4	9.2	7.9	12.7	9.9	19.8
New York City	24.1	10.0	8.4	7.9	8.4	14.5	10.5	15.6	23	10.6	9.5	9.2	8.1	12.8	9.3	17.5

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

As compared to the population in New York City and Queens as a whole, the population in the primary and secondary study area consists of a higher portion of working age people and a lower portion of children and elderly than in 1990. From 1990 to 2000, the proportion of children (ages 0 to 17 years) in Queens and New York City as a whole decreased by 1.8 percent and 1.1 percent, respectively, while the proportion of children in the primary and secondary study area decreased by 3.4 percent and 2.4 percent, respectively. Similarly, the proportion of persons over the age of 60 years in the Queens and New York City as a whole increased by 3 percent and 1.9 percent, respectively, while the proportion of persons over the age of 60 years in the primary and secondary study area decreased by 4.4 percent and 4.6 percent, respectively.

HOUSEHOLDS

Primary Study Area: Households

According to the Census, in 2000 the primary study area contained approximately 1,131 households, an increase of approximately 108.7 percent over 1990 (see **Table 3-6**). The average household size for the primary study was 1.9 persons per household—much lower than the average household size for Queens (2.8 persons per household) and also lower than the 2.6 person-per-household average across the City.

Table 3-6
Household Characteristics

Area	Total Households			Average Household Size	
	1990	2000	% Change	1990*	2000
Primary study area	542	1,131	108.7	N/A	1.91
Secondary study area	844	1,494	77.0	N/A	1.95
Queens	720,149	782,664	8.7	2.70	2.81
New York City	2,816,274	3,021,588	7.3	2.54	2.59

Note: Average household size is not available for block groups in the 1990 U.S. Census.
Sources: U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census, Summary File 1 and Summary File 3.

Based on 2006 RPAD data, there were approximately 466 units built in the primary study area between 2000 and 2006. Assuming a 100 percent occupancy rate, it can be estimated that approximately 466 households were added in the study area between 2000 and 2006. Therefore,

the study area currently has a total of 1,597 households, an increase of 41 percent over the total households in the primary study area in 2000.

Secondary Study Area: Households

As shown in **Table 3-6**, in 2000 there were approximately 1,494 households in the secondary study area, an increase of 77 percent over 1990. At 1.95 persons per household, the average household size in the secondary study area was higher than the primary study area, and lower than the average for Queens (2.81 persons per household) and New York City (2.59 persons per household).

Based on 2006 RPAD data, approximately 479 units were added in the secondary study area between 2000 and 2006. Therefore, based on a 100 percent occupancy rate, it can estimated that the secondary study area currently has a total of 1,973 households, an increase of 32 percent over the total households in the secondary study area in 2000.

INCOME

Income characteristics for the study areas' population are described below using three measures: median household income, average household income, and poverty rate. The median household income represents the mid-point of all household incomes in a study area. The average household income is calculated by dividing aggregate income by the total number of households in a study area. The presence of high income households will raise the average income, sometimes substantially higher than the median or mid-point of household incomes in a study area. As shown in **Table 3-7**, the average household incomes are considerably higher than the medians for the two study areas (21 to 22 percent higher), indicating that each study area contains a population that is earning significantly more than the median household income. The median and average household incomes are adjusted to represent 2007 dollars.[1]

Table 3-7
Household Income

Area	Median Income [1]			Average Income [1]		
	1989	1999	% Change	1989	1999	% Change
Primary study area	$57,482	$86,575	50.61%	$49,709	$105,491	112.22%
Secondary study area	$59,214	$80,009	35.12%	$55,690	$96,801	73.82%
Queens	$59,762	$54,741	-8.40%	$71,835	$69,816	-2.81%
New York City	$52,135	$49,393	-5.26%	$135,317	$113,713	-15.97%

Note: 1 All 1989 and 1999 income values were converted to 2007 constant dollars using the U.S. Department of Labor's Consumer Price Index for the "New York-Northern New Jersey-Long Island" area.
Source: U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census, Summary File 1 and Summary File 3.

Primary Study Area: Income

As shown in **Table 3-7**, household incomes in the primary study area increased dramatically between 1989 and 1999—from a median household income of $57,482 in 1989 to $86,575 in 1999, and an average household income of $49,709 in 1989 to $105,491 in 1999 in 2007 constant dollar terms (i.e., adjusted for the effects of inflation). According to the 2000 Census, the median household income for the primary study area was higher by $34,995 (in 2007

[1] Incomes characteristics are available for 1989 and 1999 from the US Census.

constant dollars) than the median income for the secondary study area, and higher by $31,834 than the median household income for Queens. The primary study area's average household income in 1999 ($105,491 in 2007 dollars) was approximately 51 percent higher than the Queens average ($69,816) and 7 percent lower than the New York City average ($113,713).

Secondary Study Area: Income

The 1999 median income for the secondary study area was $80,009 (in 2007 constant dollars), slightly lower than the median income in the primary study area ($86,575). The median income in the secondary study area was higher than the median income in Queens ($54,741). The area's average income in 1999, of $96,801, was also higher than the Queens borough-wide average of $69,816. Like the primary study area, the secondary study area experienced an increase in median income between 1989 and 1999, from approximately $55,690 in 1989 to $96,801 in 1999. As illustrated in **Figure 3-3**, the population is more affluent in the block group along the East River that houses Queens West (Census Tract 1, Block Group 2; only the Citylights building at Queens West is reported in the 2000 Census), whereas the percent of the population living below the poverty level increases in census block groups north and east of the project area (Census Tract 7, Block Group 4 and Census Tract 7, Block Group 3).

Figures 3-3 and 3-4 also show considerable variation in income and poverty across the two study areas. As a whole, however, the primary study area contains higher income households than the secondary study area and Queens.

POVERTY

Primary Study Area: Poverty

As shown in **Table 3-8,** the poverty rate in the primary study area decreased from 13.5 percent in 1990 to 6.5 percent in 2000, and was lower than the poverty status for the secondary study area (7.1 percent), the Queens borough-wide poverty rate (14.6 percent), and Citywide poverty rate (20.8 percent).

Table 3-8
Percent of Population Below Poverty Level

Area	1989	1999	Percentage Point Change
Primary study area	13.5%	6.5%	-7.0%
Secondary study area	10.8%	7.1%	-3.7%
Queens	10.9%	14.6%	3.7%
New York City	18.9%	20.8%	1.9%

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

The characteristics of the primary study area, in terms of income and poverty, are more favorable than the secondary study area as a whole. As shown in **Figure 3-4**, the block group in which the project sites are located (Block Group 2–Census Tract 1) had the highest median household income of all Census block groups in the primary and secondary study areas. This block group also had the lowest poverty rate (4.1 percent), while the remainder of the primary

4.2.08

Site A

Site B

Primary Socioeconomic Study Area Boundary

Secondary Socioeconomic Study Area Boundary

Block Group Boundary

8.76% *Percent below Poverty*

Percent of Population Living Below the Poverty Level, 1999

Site A

Site B

Primary Socioeconomic Study Area Boundary

Secondary Socioeconomic Study Area Boundary

Block Group Boundary

$66,106 *Median Household Income*

Median Household Income, 1999

HUNTER'S POINT SOUTH REZONING AND RELATED ACTIONS

Figure 3-4

study area (Block Group 4–Census Tract 7) had a poverty rate of 8.3 percent, compared with a poverty rate of 14.6 percent for Queens as a whole.

Secondary Study Area: Poverty

As shown in **Table 3-8**, the poverty rate in the secondary study area decreased from 10.8 percent in 1990 to 7.1 percent in 2000. Also, the poverty rate in the secondary study area was lower than the Queens borough-wide poverty rate (14.6 percent) and much lower than the Citywide poverty rate (20.8 percent).

Overall, census tracts in the secondary study area contained relatively lower poverty rates as well as median and average household incomes compared to the primary study area in the year 2000. As shown in **Figure 3-4**, the block group with high median incomes in the study area is the block group housing Queens West. One of the Queens West buildings, Citylights, is reflected in the 2000 Census data.

OCCUPATION CHARACTERISTICS

Census data on occupation provide some insight into the socioeconomic character of a neighborhood. Unlike New York State Department of Labor data, which describe employment as characterized by the firms located there, Census data describe the occupations of the residents living in a neighborhood. This provides a more accurate portrait of the economic status of the residents living in the study areas, which may be different than the status of those working there.

Primary Study Area: Occupation Characteristics

According to the 2000 Census, approximately 1,400 primary study area residents over the age of 16 were employed. As shown in **Table 3-9**, approximately 50.3 percent of the total employed population worked in management and professional jobs, 13.8 percent were employed in various service occupations, and 23.0 percent were employed in the sales and office industry. Approximately 10.7 percent of the total employed population in the primary study area was employed in transportation and production occupations, only 0.5 percent held construction and related jobs and 1.7 percent held jobs in farming, fishing and forestry occupations.

Secondary Study Area: Occupation Characteristics

As shown in **Table 3-9**, occupation trends for residents in the secondary study area were different from those in the primary study area in the year 2000. The total number of residents employed in the secondary study area was 2,778 in 2000. Of the employed residents, approximately 50.3 percent worked in management, professional occupations; approximately 21.1 percent were employed in the service industry; and 30.5 percent were employed in the sales and office industry.

Table 3-9
Occupations of Residents in Primary and Secondary Study Areas, 2000

	Primary Study Area	Percent of Total Employed	Secondary Study Area	Percent of Total Employed
Management, professional, and related	**704**	**50.3**	**1,207**	**43.4**
Management, business, and financial operations	229	32.5	267	22.1
Arts, design, entertainment, sports, and media*	176	25.0	331	27.4
Service occupations	**193**	**13.8**	**587**	**21.1**
Buildings and ground maintenance	34	17.6	30	5.1
Sales and office	**322**	**23.0**	**847**	**30.5**
Office and administrative support	156	48.5	421	49.7
Production, transportation, and material moving	**150**	**10.7**	**137**	**4.9**
Production	115	76.7	137	100.0
Transportation and material moving	35	23.3	0	0.0
Construction, extraction, and maintenance	**7**	**0.5**	**0**	**0.0**
Construction and extraction	7	100.0	0	0.0
Farming, fishing, and forestry occupations	**24**	**1.7**	**0**	**0.0**
Total persons employed over 16 years of age	**1,400**		**2,778**	

Source: U.S. Bureau of the Census: 2000.

HOUSING

The type, quality, and age of housing structures vary across the study areas. There are various new high-rise buildings and ongoing construction at Queens West on the East River waterfront and other residential construction is occurring in the neighborhood west of Vernon Boulevard. Along Vernon Boulevard, there is a concentration of older three- to four-story residential buildings with ground-floor retail. **Table 3-10** shows growth in housing units and change in vacancy rates from 1990 to 2000. **Table 3-11** shows housing tenure and its change from 1990 to 2000.

Table 3-10
Housing Units and Vacancy

	Total Housing Units			Vacant Housing Units			Percent Vacant	
Area	1990	2000	% Change	1990	2000	% Change	1990	2000
Primary study area	559	1,189	112.7	17	58	241.2	3.0	4.9
Secondary study area	888	1,566	76.4	44	72	63.6	5.0	4.6
Queens	752,690	817,250	8.6	32,541	34,586	6.3	4.32	4.2
New York City	2,992,169	3,200,912	7.0	172,768	179,324	3.8	5.77	5.6

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

Table 3-11
Housing Tenure

	Owner-Occupied Housing Units				Renter-Occupied Housing Units			
	1990		2000		1990		2000	
Area	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Primary study area	85	15.7	533	47.1	457	84.3	598	52.9
Secondary study area	140	16.6	613	41.0	704	83.4	881	59.0
Queens	305,573	42.4	334,815	42.8	414,576	57.6	447,849	57.2
New York City	807,378	28.6	912,296	30.2	2,012,023	71.4	2,109,292	69.8

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

Based on 2006 RPAD data (see **Table 3-4** above and **Table 3-12**), the primary study area gained approximately 466 housing units and the secondary study area gained 479 housing units since the 2000 Census. This brings the 2006 housing unit count for the primary study area to 1,655 units and the secondary study area to 2,045 units, an approximate increase of 39.2 percent and 30.6 percent, respectively, since the 2000 Census.

Table 3-12
Housing Units Built Since 2000 Census

	2000 (Census)	2006 (RPAD)	Absolute Change	Percent Change
Primary study area				
CT 1/BG 2 (Queens)	539	911	372	69.0
CT 7/BG 4 (Queens)	650	744	94	14.5
Primary study area total	1,189	1,655	466	39.2
Secondary study area				
CT 7/BG 3 (Queens)	377	390	13	3.5
Secondary study area total	1,566	2,045	479	30.6
Queens*	817,250	832,512*	15,262	1.9
New York City*	3,200,912	3,311,065*	110,153	3.4

Note: * 2006 Housing unit figures for Queens and New York City were derived from the U.S. Census Bureau Estimates of Housing, July 2006.
Source: U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census, Summary File 1 and RPAD 2006.

Primary Study Area: Housing

According to the 2000 Census, the primary study area contained approximately 1,189 housing units, of which 1,131 housing units were occupied. The 2000 vacancy rate for the primary study area (4.9 percent) was slightly higher than the vacancy rate in Queens (4.2) and lower than the overall vacancy rate for New York City (5.6 percent). The owner occupancy rate in the primary study area (47.1) was higher than the secondary study area (41.0) and was also higher than the owner occupancy rate in Queens (42.8) and New York City (30.2). As illustrated in **Table 3-11**, there has been a significant shift from rental units to owner occupied units in the primary study area. In 1990 the renter to owner occupancy rate in the primary study area was 84.3 percent to 15.7 percent, which changed to 52.9 percent to 47.1 percent in 2000.According to the 2000 Census, home values in the primary study area were low compared with those in Queens and New York City. As shown in **Table 3-13**, at $136,864, the median home value for the primary study area was slightly lower than the median home value for the secondary study area ($150,037). It is not possible to compare 1990 and 2000 Census data on median home value because the median home value reported in the 1990 Census is based on "specified" housing units only (this excludes many apartment units), while the 2000 values are based on all housing units. However, based on real estate research of recent sales information from major print news media in New York City (e.g., *The New York Times*), online resources (Craigslist and the Corcoran Group's web site), home values have increased significantly since 2000. According to the data, the average sale price for two- to three-bedroom apartments in the primary study area ranges from $750,000 to $1,600,000.

Table 3-13
Housing Characteristics

Area	Median Home Value*			Median Contract Rent**		
	1990	2000	Percent Change	1990	2000	Percent Change
Primary study area						
CT 1/BG 2 (Queens)	N/A	$129,000	N/A	$1,224	$1,734	41.7
CT 7/BG 4 (Queens)	N/A	$170,500	N/A	$787	$1,266	60.9
Primary study area total	N/A	$136,864	N/A	$792	$1,333	68.2
Secondary study area						
CT 7/BG 3 (Queens)	N/A	$237,800	N/A	$893	$1,320	47.8
Secondary study area total	N/A	$150,037	N/A	$474	$760	60.5
Queens	N/A	$206,200	N/A	$896.8	$1,260	40.6
New York City	N/A	$221,200	N/A	$1,031	$1,129	9.5

Notes:
* 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.
** All 1990 and 2000 values were converted to 2007 constant dollars using the U.S. Department of Labor's Consumer Price Index for the "New York-Northern New Jersey-Long Island" area.
Sources: U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census, Summary File 1 and Summary File 3.

In 2000 the median contract rent in the primary study area was higher than the median contract rent for the secondary study area and for Queens and New York City as a whole. The median contract rent in the primary study area grew by 68 percent, compared with an increase of 41 percent in Queens and 9.5 percent in New York City.[1]

While Census data on median contract rent provide a statistical basis for comparing trends in changing values and rents, these data are affected by such factors as the presence of rent-regulated housing units in the City and study areas, and so do not reflect market trends experienced in non-regulated apartments. In order to obtain a more accurate picture of current market-rate rents in the study areas, real estate firms specializing in the Long Island City residential markets were contacted and asked to provide information on rents in the study areas. The information provided by these firms indicates that rental rates in the study areas vary according to the type and location of the unit.

Current apartment listings indicate that on average, market-rate one-bedroom apartments (i.e., apartments that are not subject to rent regulations) in Long Island City rent for roughly $1,600 to $4,000 per month, while market-rate two-bedroom units in Long Island City rent for between $1,800 and $5,250 per month.

According to local real estate experts, rental rates for rent-regulated apartments are more difficult to estimate because they tend to turn over less frequently than market rate apartments, and so there are fewer listings from which to judge average rental rates.

Secondary Study Area: Housing

According to the 2000 Census, the secondary study area contains approximately 1,566 housing units. The housing stock in the secondary study area has increased by roughly 31 percent since

[1] According to the US Census Bureau, median contract rent is "the regardless of any furnishings, utilities, fees, meals, or services that monthly rent asked for the rental unit at the time of interview."

2000, gaining about 479 units for a current total of approximately 2,045 units. The vacancy rate for the secondary study area was approximately 4.6 percent in 2000, higher than the 4.2 percent vacancy rate in Queens as a whole, but lower than New York City (5.6 percent). The secondary study area had an owner-occupancy rate of approximately 41 percent, slightly lower than the primary study area (47 percent) and the owner-occupancy rates for Queens (42.8) and New York City (30.2). Similar to the primary study area there has been a significant shift from rental units to owner occupied units in the secondary study area. In 1990 the renter to owner occupancy rate in the secondary study area was 83.4 percent to 16.6 percent, which changed to 59 percent to 41 percent in 2000.

The median contract rent in 2007 dollars was $1,329 in 2000, increasing by 60.5 percent since 1990, compared with an increase of 41 percent in Queens, and 9.5 percent in New York City.[1] The median home value in the secondary study area in 2000 was approximately $150,037.

RENT-REGULATED HOUSING

The rental rates for many of the housing units in New York City are controlled through several mechanisms: rent control, rent stabilization, direct public subsidies to landlords, and public ownership. There are two main types of rent regulation programs in New York City: rent control and rent stabilization. Rent control limits the rent an owner may charge for an apartment and restricts the right of an owner to evict tenants. In New York City, the rent control program applies to apartments in residential buildings containing three or more units and constructed before February 1947. For an apartment to fall under rent control, the tenant must have been living in that apartment continuously since before July 1, 1971. When a rent-controlled apartment becomes vacant, it either becomes rent stabilized or, if it is in a building with fewer than six units, is removed from regulation. Rent stabilization limits the annual rate at which rents can increase. In New York City, rent stabilization generally applies to apartments in buildings containing six or more units built between February 1, 1947, and January 1, 1974. An apartment is no longer subject to rent stabilization if it becomes vacant and could be offered at a legal regulated rent of $2,000 or more, or if it is occupied by tenants whose total annual household income exceeds $175,000.[2]

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 (NYCHPD) the New York State Mitchell-Lama Program was created in 1955 as a means of providing affordable rental and cooperative housing to

[1] According to the US Census Bureau, median contract rent is "the regardless of any furnishings, utilities, fees, meals, or services that monthly rent asked for the rental unit at the time of interview."

[2] 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.

moderate- and middle-income families. Under the Mitchell-Lama program, the City and State provide low-interest mortgages and/or tax exemptions to Mitchell-Lama buildings, and in exchange, building owners must adhere to limitations on profits, income limits on tenants, and supervision by appropriate government agencies. Income requirements for Mitchell-Lama housing vary by development, household size, and rent rates, but in City-sponsored projects, eligibility is generally based on the median income in the area in which the development is located.

- *Public housing:* According to NYCHPD, public housing refers to housing units constructed and managed by government for low-income households. In New York City, public housing developments are managed by the New York City Housing Authority (NYCHA), most of which are funded in large part by the U.S. Department of Housing and Urban Development (HUD).
- *421-a buildings:* According to the New York City Rent Guidelines Board, newly constructed multiple dwelling buildings with three or more units are eligible for 421-a tax abatement status. In order to receive the abatement, the building owner must agree to stabilize rents in his or her building for a prescribed period. Owners may charge initial rents according to a formula that accounts for development costs and operating expenses, and may only charge guideline rent increases plus 2.2 percent of the original rent per year over the course of the abatement period.
- *420-c buildings:* According to the New York City Rent Guidelines Board, the 420-c program provides tax exemptions for housing that is: owned or controlled by a non-profit housing development fund company; subject to regulatory agreement, 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 that would occur as a result of the proposed actions.

This section of the chapter evaluates available data on population and housing characteristics in the study areas to determine whether the study areas contain a population currently at risk of indirect displacement. This information (which includes a Census tract-level analysis of the study areas' economic characteristics along with the estimated number of unprotected rental units in each of the study area's census block groups) is followed by an analysis of the "population at risk."[1] The methodology for determining whether and where that population at risk is located is presented below, under "Identifying Population at Risk."

Unprotected Units

The populations 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. **Table 3-14** provides calculations on the numbers of unprotected

[1] 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.

Table 3-14
Unregulated Rental Housing Units in Primary and Secondary Study Areas

Row #			Primary	Secondary	Notes
1	**Base of Unprotected Units: Units in Buildings with 1-5 Units**	Number of units in buildings with 1-4 units	276	469	Derived from RPAD
2		Number of renter-occupied units in buildings with 1-4 units	252	389	(Row 1) * Renter occupancy rate for buildings with 1-4 units
3		Number of units in buildings with 5 units	55	105	Derived from RPAD
4		Number of renter-occupied units in buildings with 5 units	53	98	(Row 3) * Renter occupancy rate for buildings with 5-9 units
5		Total number of rental units in 1-5 unit buildings	304	487	(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 2005	995	1,008	Derived from RPAD
7		Total units *(renter- and owner-occupied)* built between 1974 and 2005 and in buildings with 5 units or less	0	4	Derived from RPAD
8		Public housing units built between 1974 and 2005	0	0	NYCHA
9		Total units *(owner and renter-occupied)* in buildings with more than 5 units, built after January 1, 1974	991	1,004	(Row 6) - (Row 7) - (Row 8) This number was derived by taking the total number of units built between 1974 and 2005 and subtracting out public housing units built between 1974 and 2005 and subtracting those in buildings with 5 or fewer units (to avoid double counting).
10	**Total Unprotected Units**	Number of *rental* units in buildings with more than 5 units, built after January 1, 1974	220	232	(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 (Source: H32. TENURE BY UNITS IN STRUCTURE)
11		Total number of renter-occupied units that are unprotected	525	719	(Row 5) + (Row 10)
12		Total number of residential units	1,655	2,045	Derived from RPAD
13		Total number of renter-occupied units	773	1,077	(Row 12) * renter occupancy rate for all units
14		Percent of renter-occupied units that are unprotected	68%	67%	(Row 11) / (Row 13)

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

housing units in the study area, based on information available in RPAD, from the New York City Housing Authority, 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 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 4) they are in buildings too small to be subject to rent control or rent stabilization. Based on the calculations that are detailed in **Table 3-14**, there are an estimated total of 525 unprotected units in the primary study area and 719 unprotected units in the secondary study area. 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 3-14,** the primary study area has a total of approximately 773 renter-occupied units, of which 525 are unprotected. This number of renter-occupied units represents approximately 31.7 percent of the total of 1,655 residential units in the area and about 68 percent of all renter-occupied units in the primary study area. Within the primary study area, Block Group 2, Census Tract 1 contains the highest percentage of unprotected units (98 percent).

The secondary study area contains an estimated 719 unprotected units, representing about 67 percent of the total renter-occupied housing units in the secondary study area. Block Group 2, Census Tract 1; Block Group 3, Census Tract 7; and Block Group 4, Census Tract 7 have 98 percent, 64 percent, and 61 percent of unprotected units of the total renter-occupied units in each block group, respectively.

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 (with 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 Queens. 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 Queens 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 Queens, as a whole, then the study areas might contain a significant population at risk. Given recent trends in market rents, described above under "Housing," it is likely that the average income of renters in unregulated units in the study areas would in general be higher than the average income for renters in regulated units.

The Census data are generally consistent with the prediction that incomes for renters in small, unregulated buildings would be higher than the incomes for renters in regulated buildings. As shown in **Table 3-15**, this is true for all but Census Tract 1 in Queens, located in the primary study area. As described above, this is the criterion used for identifying tracts that could contain a vulnerable population.

Table 3-15
Average Household Income for Renters in Small Buildings, Buildings with Five or More Units, and All Renter-Occupied Buildings in Queens, 1999

Census Tract	Average Household Income in Small Buildings*	Average Household Income in Large Buildings	Difference Between Small and Large Buildings	Difference Between Small Buildings and Respective Borough Average**
CT 1, Queens***	$30,538	$72,338	-$41,801	($12,012)
CT 7, Queens	$58,964	$41,440	$17,525	$16,415

Notes:
***** The average household income for small renter-occupied buildings is based on renter-occupied units in buildings with one to four units.
****** This number represents the difference between the average household income for renters in small buildings and the average household income for all Queens renters.
*** For this tract, the average household income for renter-occupied units in small buildings is lower than the average household income for all renter-occupied units in Queens.
Source: U.S. Bureau of the Census, 2000 Census, Summary File 3.

Primary Study Area: Population at Risk

As shown in **Table 3-15**, residents living in small (unprotected) buildings are generally more affluent than those living in protected units, and in Census Tract 7 in Queens, the average income for renters in unprotected units exceeds the average income for Queens renters as a whole. It can be inferred from these 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 has also been a growing trend of more expensive unregulated housing in the study area since 2000, which is not captured in **Table 3-15**.

Table 3-15 also shows that in 1999 one Census tract (Census Tract 1, Queens) that has block groups in the primary study area contained renters in unprotected units whose average household income ($30,538) was $12,012 less than the average income for Queens renters ($42,549). Census Tract 1 encompasses the project sites but also extends beyond the study area. It is bounded by the East River to the west, Newtown Creek to the south, 30th Street and Vernon Boulevard to the east, and 43rd Avenue to the north.

While Census Tract 1, based on 1999 data, meets the CEQR criteria for containing population potentially vulnerable to indirect displacement, the Census Tract 1 units that fall within the study area's boundary—units in Block Group 2—are predominantly not vulnerable to displacement. According to the 2000 Census, this block group had a total of 539 residential units. At that time, one building at Queens West was completed, Citylights, with a total of 522 units. In addition, five small residential buildings are present in this block group on the west side of Vernon Boulevard between 45th and 46th Avenues (i.e., just east of Anable Basin), and contain an estimated 17 units. Since the 2000 Census, one additional building was added at Queens West that is reflected in the RPAD data, the 372-unit Avalon Riverview building. Citylights and Avalon Riverview are new high-rise residential buildings with high rents and home values, representing a population with high incomes along the waterfront and therefore do not represent a population vulnerable to displacement. Therefore, although Census Tract 1 as a whole may contain a population potentially vulnerable to displacement, the unprotected units in Block Group 2, with the exception of the five small residential buildings on the west side of Vernon Boulevard, contain residents that could afford rent increases, and therefore are not at risk of displacement. Overall, the primary study area contains an estimated 17 units housing an estimated 32 residents that are currently at risk of indirect displacement.

Secondary Study Area: Population at Risk

Renters in unprotected buildings in the secondary study area have a higher average household income than other renters in the area, and therefore are not currently at risk of indirect displacement.

Conclusion: Population at Risk

Based on the analysis above, the primary study area contains an estimated 32 residents currently at risk of indirect displacement, while the secondary study area does not contain a population vulnerable to indirect residential displacement.

THE FUTURE WITHOUT THE PROPOSED ACTIONS (NO ACTION CONDITION)

This section describes the housing and population conditions that are expected in the future without the proposed actions, presenting development and population changes that are projected to occur in the study areas through 2017. The analysis for the primary and secondary study areas is based on projects known to be under construction or planned for the area.

Absent the proposed actions, it is assumed that Sites A and B will remain in their current conditions and no new buildings or roads will be constructed. Site A will not be developed, and existing users on this site (including the New York Water Taxi ferry landing, Water Taxi Beach,

and the Tennisport facility) will continue operations. The existing uses on Site B will also continue to operate on the site in the No Action conditions.

The primary study area is expected to gain approximately 5,511 housing units and the secondary study area is expected to gain 5,987 housing units by 2017 without the proposed actions, for a total of 7,166 and 8,032 units, respectively. Roughly 92 percent of that growth (5,511 units) is anticipated in the primary study area, and another 8 percent (476 units) is anticipated in the secondary study area.

Assuming that these new units would have an average household size of 1.95 persons per household and that occupancy rates would be 100 percent, the 5,511 new units in the primary study area will house approximately 10,746 residents and the secondary study area will house approximately 11,675 residents, bringing the total population of the respective study areas to 13,837 and 15,527 in 2017. The primary study area will experience a faster relative growth in population and housing, growing its housing stock and residential population by more than 300 percent between 2006 and 2017. **Table 3-16** shows population and housing growth in the future without the proposed actions.

Table 3-16
Population and Housing Growth: No Action Condition, 2006-2017

	Housing Units				Population			
	2006 Housing Units	2006-2017 Housing Units	Total 2017 Housing Units	Percent Growth	2006 Population	2006-2017 Growth	Total 2017 Population	Percent Growth
Primary study area	1,655	5,511	7,166	332.9	3,091	10,746	13,837	347.7
Secondary study area	2,045	5,987	8,032	292.8	3,852	11,675	15,527	303.1

Note: Population growth was calculated by applying an average household size of 1.95 persons (the weighted average for households in the secondary study area).

Table 3-17 shows the development projects proposed for completion by 2017 in the study area. Of all the development planned for completion in the study area by 2017, it is anticipated that River East will provide approximately 182 units (20 percent of the total units proposed) as affordable housing to a low-income population. All other developments proposed in the area will include market rate units. Given that these No Action projects will introduce a substantial new population with high incomes relative to the existing population, it is possible that some portion, if not all of the vulnerable population identified in the study areas (32 residents as quantified in the "Existing Conditions" section above), are likely to experience rent increases that could result in their displacement by 2017 without the proposed actions.

Table 3-17
Projects Planned for Completion by 2017

Project/Address	Retail (sf)	Residential (units)	Community Facility (sf)
PowerHouse, 5-09 Second Street	17,275	190	
One Hunters Point, 5-35 Borden Avenue		138	
Hunters View , 48-15 11th Street		73	
Fifth Street Lofts (5SL), 5-09 48th Avenue		78	
The Foundry , 2-30 51st Avenue		61	
50-15 Vernon Boulevard	1,000	28	
10-50 Jackson Avenue		37	
10-59 50th Avenue		10	
10-63 Jackson Avenue		74	
12-01 Jackson Avenue		37	
47-33 5th Street		14	
Queens West 1, NW corner of 46th Avenue and Center Boulevard		287	
Queens West 2, NE corner of 46th Avenue and Center Boulevard		809	
Queens West 3, Center Boulevard between 46th Avenue and 46th Road		279	
Queens West 4, 46th Avenue between Center Boulevard and 5th Street		482	100,000
Queens West 5, Center Boulevard between 47th Avenue and 46th Road	800	279	
Queens West 6, East Coast I, 47-20 Center Boulevard*	5,000	521	
Queens West 7, 47-02 47-10 5th Street, 4-50 4-88 47th Avenue	35,000	481	
Queens West 8, 4-63 47th Road	35,000		25,000
Queens West 9, Riverview North, 4-63 47th Road*	30,000	602	
11-11 50th Avenue		120	
River East, 44-02 Vernon Boulevard	20,000	910	
Primary Study Area Total	**144,075**	**5,511**	**125,000**
Casa Vizcaya, 10-40 46th Road		24	
Badge Building, 10-55 47th Ave		44	
10-12 47th Avenue		7	
CUNY project, 5th Street and 46th Avenue	12,835	401	
Secondary Study Area Total	**156,910**	**5,987**	**125,000**

Note: The secondary study area includes the projects in the primary study area.
* These developments have been recently completed and occupied.

THE FUTURE WITH THE PROPOSED ACTIONS

The analysis of the proposed actions' effects on population and housing conditions in the study areas begins with, and builds on, the 2017 No Action trends described above. This section analyzes the mix of uses planned under the proposed actions by 2017 and evaluates the potential for indirect residential displacement associated with those changes.

The proposed actions would result in the addition of 6,650 housing units to the primary and secondary study areas, increasing the housing stock by 2017 to 13,816 and 14,682 housing units in the primary and secondary study areas, respectively. In total, new housing resulting from the proposed actions would increase housing units by approximately 93 percent in the primary study area and by approximately 83 percent in the secondary study area by 2017 as compared to the future without the proposed actions.

Assuming that all new units would have an average household size of 1.95 persons per unit (the average household size in the secondary study area) and that the occupancy rate would be 100 percent (see "Population and Housing" under Existing Conditions," above), the 6,650 new dwelling units on the project sites would generate approximately 12,968 new residents by 2017. Thus, the total 2017 primary and secondary study area populations with the proposed actions would be roughly 26,805 and 28,495 residents, respectively. **Table 3-18** shows the housing and population growth expected in the future with the proposed actions.

Table 3-18
Population and Housing Growth: With-Action Scenario, 2006-2017

Area	Housing Units				Population			
	2017 No Action Housing Units	Project Increment	2017 With-Action Housing Units	Percent Growth	2017 No-Action Population	Project Increment	2017 With-Action Population	Percent Growth
Primary study area	7,166	6,650	13,816	92.8	13,837	12,968	26,805	93.7
Secondary study area	8,032	6,650	14,682	82.8	15,527	12,968	28,495	83.5

Note: * Population growth was calculated by applying an average household size of 1.95 persons (the average for household size in the secondary study area) from the 2000 Census to the number of new housing units anticipated in each study area.

This detailed analysis of the potential for indirect residential displacement impacts estimates that the study areas contain approximately 32 residents within 17 housing units who are currently vulnerable to indirect displacement if their rents were to increase. According to the *CEQR Technical Manual*, indirect displacement of a residential population most often occurs when an action increases property values and thus rents throughout a study area, making it difficult for some existing residents to continue to afford to live in the community. The Manual states that:

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

The proposed actions would increase the residential populations of the study areas by greater than 5 percent; as indicated earlier, the proposed actions would increase the primary and secondary study area populations by approximately 94 and 84 percent, respectively. However, for the reasons outlined below, the proposed actions would not introduce or accelerate a trend toward increased market rents to cause significant indirect residential displacement.

- **There is an existing trend toward increased rents that is expected to accelerate in the future without the proposed actions.** The primary and secondary study areas have already experienced a sizable increase in new market-rate housing, and there is a substantial amount of new market-rate housing planned for the study areas by 2017. This includes the high-density residential development at Queens West. Given that these No Action projects would introduce a substantial new population with high incomes relative to the existing population, it is possible that some portion, if not all, of the estimated 32 at-risk residents in the study areas are likely to experience rent increases that could result in their displacement by 2017

without the proposed actions, particularly given their close proximity (one block) from the Queens West project.

- **The proposed actions would create a mix of market-rate and affordable housing.** The proposed actions would introduce 6,650 units to the study areas, of which 3,300 units (51 percent) would be affordable for low- to middle-income households: 3,000 units on Site A would be affordable to middle-income households, and 330 units on Site B would be permanently affordable to low- to moderate-income households. The new residential population would mirror the economic diversity of the existing population in the study areas and be more diverse than the population that will be introduced to the study areas in the future without the actions. As detailed below, this diverse new population may even serve to dampen the trend toward increased rents in the study areas, rather than accelerate it.
- **The proposed actions could serve to relieve, rather than increase market pressure in the study areas.** Presently, there is a high demand for housing in Long Island City due to its proximity to Manhattan.
- **Absent the proposed actions, the strong demand for housing would likely reach into parts of the secondary study areas with existing residential uses.** By allowing for more residential construction in areas where the demand is highest, the proposed actions could absorb the housing demand that would otherwise be expressed through increases in rents. In effect, this could serve to insulate the vulnerable population from displacement pressures.

As described above, the proposed actions would not initiate or accelerate the trend toward increased rents in the study areas. And while there is the potential for limited indirect displacement as a result of the proposed actions, such displacement would not have the potential to adversely affect socioeconomic conditions in the study areas. Furthermore, indirectly displaced tenants could potentially find comparable replacement housing from the stock of affordable housing units introduced by the proposed actions.

E. CONCLUSIONS

The analysis finds that the proposed actions would not cause any significant adverse impacts to socioeconomic conditions in the study areas. Conclusions related to each of the five areas of potential socioeconomic impact, as outlined in the *CEQR Technical Manual*, are summarized below. The analysis finds that the proposed actions would not cause any significant adverse impacts on socioeconomic conditions in the study areas for the reasons outlined below.

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The proposed actions would not result in significant adverse impacts due to direct business and institutional displacement. The proposed actions would directly displace a recreational use (Tennisport) from Site A and would eliminate the potential use of Site B for manufacturing uses similar to those there today. Collectively, the businesses on the project sites employ approximately 228 workers.

Based on guidelines in the *CEQR Technical Manual*, the potentially displaced businesses were determined not to be of substantial economic value to the City or region; they do not provide products or services unique to New York City or regional area, and the study areas' residents and businesses are not dependent on the displaced businesses for day-to-day needs. The businesses on Site B do not appear to have site-specific needs unique to their current location and real estate data indicate suitable space is available in other industrial areas in Queens or

elsewhere in the City. Further, the businesses on the two sites do not individually or collectively define neighborhood character within the study areas. The businesses on the sites do not have a substantial number of jobs in the economic sectors with the highest employment in the primary and secondary study areas (i.e., those that contribute substantially in an economic sense to the character of the neighborhood).

INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The proposed actions would not result in significant adverse impacts due to indirect business and institutional displacement. The direct displacement of the businesses on the project sites would not lead to indirect displacement because these businesses do not directly support other businesses in the area, nor do they bring large numbers of people to the area that form a customer base for local businesses. While the employees of directly displaced businesses and indirectly displaced residents may form a portion of the customer base of neighborhood service establishments (food and drink establishments, retail, etc.), they would be replaced by a substantial new residential population, as intended by the goals of the proposed actions.

For the portions of the study areas north of Borden Avenue, the combination of residential, retail, community facility, parking, and open space introduced by the proposed actions would not alter or accelerate trends to alter existing economic patterns, because these uses are already prominent and there is a well-established trend toward residential and commercial redevelopment that is expected to continue independent of the proposed actions. The area south of Borden Avenue and west of 11th Street, however, could experience increased rent pressures due to the introduction of residential uses south of Borden Avenue with the proposed actions. However, the potential for indirect displacement would likely be limited to locations on the north side of 54th Avenue north of Site B, which would be located closest to residential uses intended for Site B. All establishments in this area south of Borden Avenue and west of 11th Street are located within the Long Island City Industrial Ombudsman Area, which provides business support and services that enhance the area's value as an industrial location and in doing so could temper market forces to convert to other uses. Overall, therefore, only limited indirect displacement of businesses is anticipated in the area south of Borden Avenue, and no indirect displacement of businesses would occur elsewhere in the study area.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

The proposed actions would not result in significant adverse impacts on any specific industry within, or outside of, the study areas. The businesses on the project sites are not concentrated in any specific industry sector. None of the businesses subject to displacement are essential to the survival of an industry sector within, or outside of, the study areas.

DIRECT RESIDENTIAL DISPLACEMENT

Currently, the project sites do not contain any residential uses. Therefore, the proposed actions would not result in significant adverse impacts due to direct residential displacement.

INDIRECT RESIDENTIAL DISPLACEMENT

The proposed actions would not result in significant adverse impacts due to indirect residential displacement. The proposed actions would introduce 6,650 new residential units, or an estimated 12,968 new residents, to the study areas. Although this is a substantial addition to the study areas' population, the new population at Sites A and B would not be expected to introduce or

accelerate a trend toward increased market rents in the study area. There is already a very strong trend in the primary study area for the development of new market-rate housing, which has substantially increased the population of the study area over the past 15 years and has been gradually shifting the socioeconomic characteristics of the study area. The proposed actions would offer housing opportunities for a wide range of incomes through the provision of both affordable and market-rate units and this mix of market-rate and affordable housing could serve to relieve rather than increase residential market pressure in the study area. Of the total 6,650 housing units contemplated under the proposed actions, 3,000 would be affordable for moderate- to middle-income populations (on Site A), and 330 would be permanently affordable to low- to moderate-income populations (on Site B). Therefore, the proposed actions would not introduce or accelerate a trend toward increased market rents to cause indirect residential displacement.

✷