Chapter 3: Socioeconomic Conditions

A. INTRODUCTION

The Department of City Planning (DCP) proposes the creation of a Special Coney Island District that would define development parameters and urban design controls to guide the redevelopment of Coney Island. This chapter analyzes whether the changes resulting from the proposed actions would result in significant adverse impacts by directly or indirectly changing population, housing stock, or economic activities in the surrounding area.

One of the primary issues concerning socioeconomic conditions is the involuntary displacement of residents, businesses, and institutions (and their associated employment). The rezoning area contains businesses and employment associated with those businesses which could 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 is warranted to determine whether the proposed actions could cause significant adverse impacts on socioeconomic conditions.

In accordance with the guidelines in the 2001 *City Environmental Quality Review (CEQR) Technical Manual*, this chapter evaluates five specific factors that could lead to significant adverse socioeconomic impacts in an area: (1) direct displacement of residential population; (2) direct displacement of existing businesses and institutions; (3) indirect displacement of a residential population; (4) indirect displacement of businesses and institutions; and (5) adverse effects on specific industries not necessarily tied to a project site or area.

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 residential displacement, direct and indirect business and institutional displacement, and potential adverse effects on specific industries;
- Section D presents a detailed analysis of indirect residential displacement;
- Section E presents a detailed analysis of direct business displacement; and
- Section F presents the chapter's principal conclusions.

B. METHODOLOGY, DATA SOURCES, AND STUDY AREA DEFINITION

CEQR OVERVIEW

The CEQR socioeconomic assessment considers the potential for significant adverse impacts with respect to the following five issues of concern: (1) direct residential displacement; (2) direct business and institutional displacement; (3) indirect residential displacement; (4) indirect business and institutional displacement; and (5) adverse effects on specific industries.

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 (sf) 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. In the case of the proposed actions, development resulting from the proposed rezoning could directly displace substantial numbers of businesses and employees, and would add approximately 2,408 dwelling units, which is higher than the 200-unit CEQR threshold warranting analysis. Therefore, a preliminary assessment was conducted.

ANALYSIS FORMAT

This chapter follows the analytical framework established in Chapter 3B of the *CEQR Technical Manual*. In conformance with *CEQR Technical Manual* guidelines, the analysis of the five areas of concern begins with a preliminary assessment. The purpose of the preliminary assessment is to learn enough about the effects of the proposed actions to either rule out the possibility of significant adverse impacts or to determine that a more detailed analysis will be required to resolve that question.

If the preliminary assessment cannot definitively rule out the potential for significant impacts, a detailed analysis is conducted. For three of the five areas of socioeconomic concern—direct residential displacement, indirect business displacement, and adverse effects on specific industries—a preliminary assessment was sufficient to conclude that the proposed actions would not result in any significant adverse impacts on socioeconomic conditions. The preliminary assessments of direct business and indirect residential displacement concluded that detailed analyses of those issues were required to determine whether the proposed actions would result in significant adverse impacts due to changes in the population, housing stock, or economic activities in the surrounding area.

Detailed analyses are framed in the context of existing conditions and evaluations of the future without the proposed actions and the future with the proposed actions in 2019. In conjunction with the land use task (see Chapter 2, "Land Use, Zoning, and Public Policy"), specific development projects that will occur in the area in the future without the proposed actions are identified, and the possible changes in socioeconomic conditions that would result are examined (such as potential increases in population, changes in the income characteristics of the study area, new residential developments, possible changes in rents or sales prices of residential units, new commercial or industrial uses, or changes in employment or retail sales). Those future conditions without the proposed actions are then compared with the probable impacts of the proposed actions to determine the potential for significant adverse impacts.

As detailed in Chapter 1, "Project Description," to determine both the No Build and Build development conditions, DCP has established a reasonable worst-case development scenario (RWCDS), which anticipates how private development would likely be generated over the next ten years both with and without the proposed Coney Island Comprehensive Rezoning Plan. **Table 1-<u>9</u>** in Chapter 1, "Project Description," details the RWCDS for the No Build scenario, while **Tables 1-<u>10</u>**

and **1-11** detail the RWCDS for the Build scenario. This socioeconomic conditions analysis is based on the RWCDS.

STUDY AREA

A study area is defined as the most likely to be affected by a proposed action. Following the guidelines of the *CEQR Technical Manual*, the study area for socioeconomic analysis (shown in **Figure 3-1**) is similar to the study area defined in Chapter 2, "Land Use, Zoning, and Public Policy." This socioeconomic study area is referred to as the "½-mile study area" or "study area." In accordance with *CEQR Technical Manual* guidelines, the exact boundaries of the ½-mile study area were modified to match the census tract boundaries that most closely delineate a ½-mile radius surrounding the rezoning area—mirroring the same ½-mile study area used in Chapter 2. Census tracts that straddle the ½-mile boundary were included or excluded depending on what proportion of the tract fell within the rezoning area (i.e., blocks with more than 50 percent of the block area within this study area were included). By conforming to census tract boundaries, the socioeconomic analysis more accurately applies census data to depict the demographic characteristics of the surrounding area. Employment trends presented in the detailed analysis are also based on census tracts.[1] **Figure 3-1** shows the census tracts that comprise the study area, and subdistricts of the rezoning area.

The rezoning area as described in Chapter 2, "Land Use, Zoning, and Public Policy" is roughly coterminous with the historical amusement area in Coney Island, consists mainly of open space/recreational facilities, vacant land, and surface parking facilities. Most of the rezoning area is divided into the four subdistricts of the proposed Special Coney Island District: Coney East, Coney West, Mermaid Avenue, and Coney North. The established rezoning area described in this chapter includes the same four subdistricts. Likewise, amusement-related uses are separated from Coney East in order to describe how the proposed actions would specifically affect these uses.

DATA SOURCES

RESIDENTIAL DISPLACEMENT

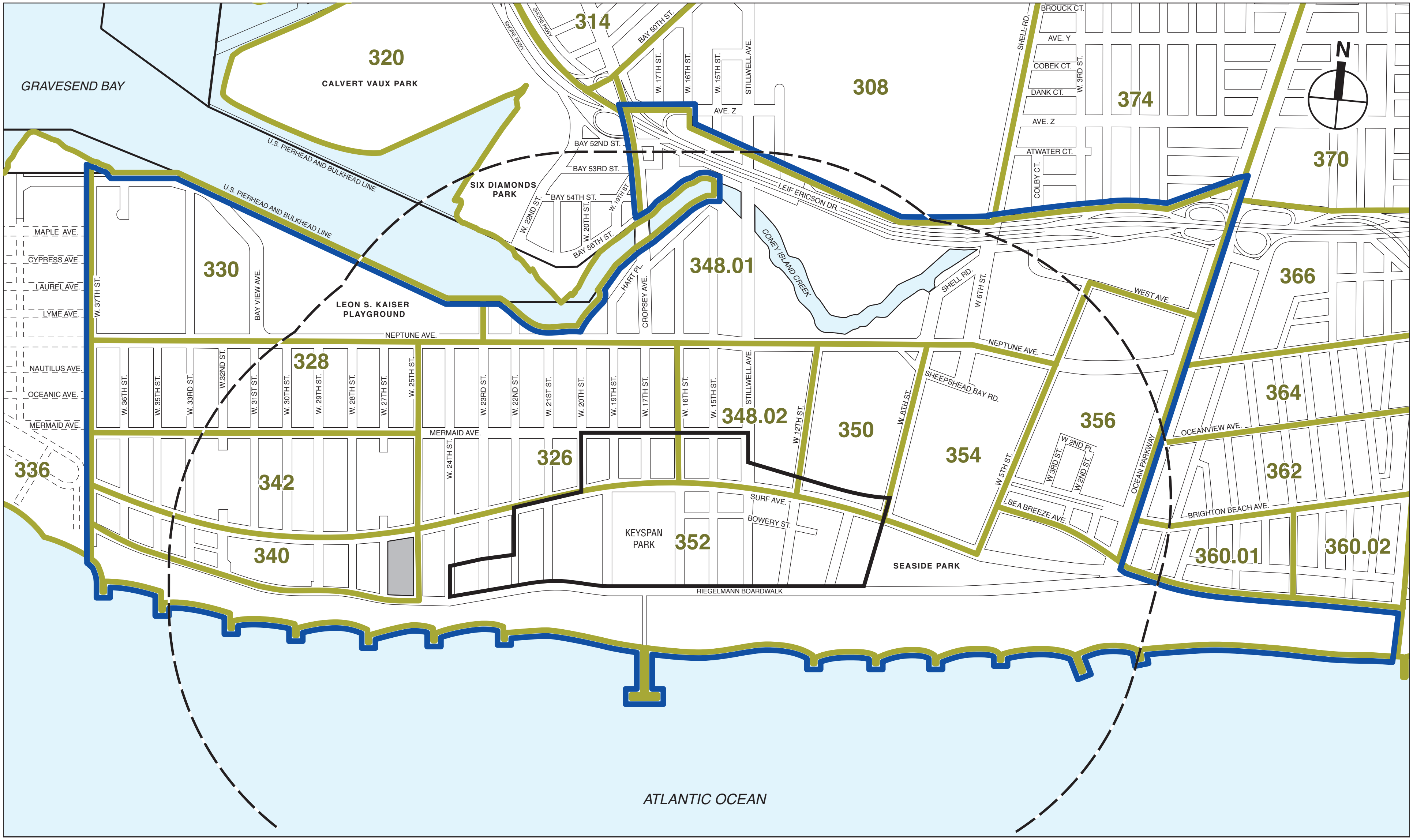
The residential displacement analyses are based primarily on data from the 1990 and 2000 U.S. Census, updated wherever possible to reflect 2008 conditions in each study area. Demographic Census data have been grouped for the socioeconomic study area by the following census characteristics:

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

Because the census is performed every decade, baseline, or 2008 conditions are characterized based on trends and current data. Updates are based on the number of housing units that were developed

[1] The Study Area includes the following Census Tracts: 326, 328, 330, 340, 342, 348.01, 348.02, 350, 352, 354 and 356.

1.10.09



Rezoning Area Boundary

West 25th Street Parking Site

1/2-Mile Perimeter

350 Census Tract

Socioeconomic Study Area Boundary

0 1000 2000 FEET

SCALE

Socioeconomic Study Area

Figure 3-1

CONEY ISLAND REZONING

between 2000 and 2008, which was obtained from the New York City Department of Finance Real Property Assessment Data (RPAD). The number of housing units was further updated based on site visits to the study area in December 2008. Corresponding population estimates were derived using the 2000 Census average household size and vacancy rate in the study area.

The census data also have been supplemented, where appropriate, with information on current listings from local real estate agents. While census data on median contract rent provide a statistical basis for identifying trends, these data are affected by the presence of rent-regulated housing units in the study area, and therefore do not reflect market trends experienced by many residents in the study area. In order to provide a more accurate picture of current market rate rents in the study area, information was gathered from local brokers, the *New York Times,* real estate websites such as trulia.com, ziprealty.com and zillow.com. In addition, local professionals were consulted to gain a better understanding of residential rents and sales prices, and trends in subsidized housing in the study area. These experts include The Astella Development Corporation, DCP, and local real estate brokers.

BUSINESS/INSTITUTIONAL DISPLACEMENT

The assessments of business and institutional displacement begin with an analysis of employment trends in the study area, in Brooklyn, and New York City as a whole. The employment by industry data is based on Reverse Journey-to-Work data from the 2000 Census.[1] Employment data were gathered for each census tract in the ½-mile study area.

The business and employment estimates used for the direct displacement analyses are based on field investigations conducted in August 2007, and August, November and December of 2008, supplemented by Dun & Bradstreet's database of business records. Between August 2007 and December 2008 there were substantial changes in the number of active businesses on projected development sites within the study area, most notably the amusement-related businesses associated with Astroland and Deno's Wonderwheel Park. Given that the preliminary and detailed analyses of direct business displacement both require a baseline, or "existing conditions" inventory of potentially affected businesses for purposes of the impact analysis, the November 2008 field survey—the most recent comprehensive inventory of uses on projected development sites—was used do depict "existing conditions," or the businesses currently located on development sites.[2] The detailed analysis of direct business displacement in Section E accounts for post-November 2008 closings of businesses on projected development sites as part of its discussion of the "Future Without the Proposed Actions."

Information on the real estate market in the Coney Island area, the surrounding area, and Brooklyn as a whole was gathered from real estate brokerages, market research firms, and field surveys conducted in August 2007, and August through December 2008.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

The analysis of adverse effects on specific industries is based on much of the same data used in the assessments of business and institutional displacement.

[1] Reverse Journey-to-Work data tabulates and reports the characteristics of workers by the location of their workplace.

[2] For purposes of a conservative analysis, all businesses within the leasable confines of Astroland Amusement Park (e.g., Pirate Ship or Dante's Inferno) were assumed to be separate business entities.

C. PRELIMINARY ASSESSMENT

DIRECT RESIDENTIAL DISPLACEMENT

Direct residential displacement (sometimes called primary displacement) is the involuntary displacement of residents from the site of (or a site directly affected by) a proposed action. Direct residential displacement is not in and of itself an impact under *CEQR*. According to the *CEQR Technical Manual*, direct residential impacts can occur if the numbers and types of people being displaced would be enough to alter neighborhood character and perhaps lead to indirect displacement of remaining residents.

As described in Chapter 1, "Project Description," the RWCDS identifies 10 projected development sites, 3 of which contain 15 residential units. DCP forecasts that all of the projected development sites with existing dwelling units would undergo complete redevelopment in the future without the proposed actions. Therefore, tenants on these sites would be displaced independent of the proposed actions. Given that the proposed actions would not directly displace any existing residential uses, there would be no significant adverse impacts resulting from direct displacement.

CONCLUSION

Based on the preliminary assessment presented above, the proposed actions would not result in significant adverse impacts due to direct residential displacement. No further analysis is necessary.

INDIRECT RESIDENTIAL DISPLACEMENT

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

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

The proposed actions would result in the development of 2,408 incremental residential units by 2019. Of those units, approximately 1,801 would be rented or sold as market-rate units; the remaining 607 units would be affordable to residents earning low to moderate incomes. This section responds to the preliminary assessment criteria as outlined in Chapter 3B, Section 322.1 of the *CEQR Technical Manual*.

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

According to the *CEQR Technical Manual*, a five percent increase in study area population may lead to significant indirect residential displacement. As described above, the proposed actions would add to the ½-mile study area approximately 2,408 units, housing an estimated 5,876 residents.[1] This would increase the 2019 ½-mile study area population by 11.7 percent, from 50,172 to 56,048 residents (see **Table 3-18**). Because this percent increase exceeds the five percent guideline threshold, a detailed analysis is warranted to determine whether the proposed actions would 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?

Indicators that a property has had a "blighting" effect on property values in an area may include: limited development around a specific property, high vacancy rates in within a given study area, or stagnant or decreasing housing values and contract rents in a study area. While site visits confirm much of the land within the rezoning boundary is vacant or underutilized, recent publications and conversations with local real estate agents confirm that residential values—particularly with respect to newly constructed units—have increased. Independent of the proposed actions, planned residential projects will add a total of 733 residential units to the ½-mile study area, indicating a trend toward residential growth. Further analysis of these trends is provided in Section D, "Detailed Analysis of Indirect Residential Displacement."

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

No, as stated in preliminary assessment of "Direct Residential Displacement," the proposed actions will not displace any residential units, and therefore would not alter the socioeconomic composition of the study area.

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

The proposed actions would facilitate the development of 2,408 incremental residential units, 607 of which would be affordable units. Given the substantial amount of market-rate housing that would be introduced by the proposed actions (1,801 units), further analysis is required. See section D, "Detailed Analysis of Indirect Residential Displacement."

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 study area contains a combination of non-residential uses including: retail (neighborhood amenities and amusement park-related novelty shops); industrial and manufacturing (food distribution and wholesale facilities, lumberyards, etc.); transportation and utility facilities (gas stations, car washes, car repair shops, etc.); public facility and institutional uses (hospital facilities, senior centers, a post office, etc.); and open space and outdoor recreational uses, which mainly include Astroland-related park space. As stated in Chapter 1, "Project Description," the rezoning plan seeks to build on the area's attractions and strengths in order to create a development framework that will respect and enhance Coney Island's history, while providing incentives to help the area realize its full potential. This will include actions that would intensify and build upon the existing residential, retail, and open space and outdoor recreational uses. To the extent that the proposed actions would attract a substantial new population, the proposed

[1] Based on an average household size of 2.44 per household (the 2000 weighted average for households within the half-mile study area.)

actions would not introduce a "critical mass" of uses such that the surrounding area becomes more attractive as a residential neighborhood complex.

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

The proposed actions would not offset positive trends in the study area, impede efforts to attract investment, or create a climate for disinvestment. To the contrary, the proposed actions would introduce new populations and generate new year-round employment opportunities, create affordable housing units and enhance public open space in order to meet the growing demands of the neighborhood.

CONCLUSION

The preliminary assessment for indirect residential displacement concludes that the proposed actions would not introduce a "critical mass" of non-residential uses such that the surrounding area becomes more attractive as a residential neighborhood complex, and would not introduce a land use that could offset positive trends in the area, impede efforts to attract investment to the area, or create a climate for disinvestment. However, the preliminary assessment could not rule out the possibility that the proposed actions would: (1) add a substantial new population with different socioeconomic characteristics compared to the size and character of the existing population, (2) displace uses that have a "blighting" effect on property values in the area; or (3) introduce a substantial amount of a more costly type of housing compared to existing housing and housing expected to be built in the study area by the time the proposed actions are completed. Therefore, a detailed analysis of indirect residential displacement is required. See Section D, "Detailed Analysis of Indirect Residential Displacement."

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

Under CEQR, displacement of a business or group of businesses is not, in and of itself, an adverse environmental impact. Rather, the *CEQR Technical Manual* provides a framework to analyze the effects of displacement by asking whether the businesses in question have "substantial economic value to the city or region" or "contributes substantially to a defining element of neighborhood character." While all businesses contribute to neighborhood character and provide value to the city's economy, *CEQR* seeks to determine whether displacement of a single business or group of businesses would rise to a level of significance in terms of impact on the city's or the area's economy or the character of the affected neighborhood.

The *CEQR Technical Manual* defines direct business displacement as the involuntary displacement of businesses from the site of, or a site directly affected by, a proposed action. A preliminary assessment of direct business displacement looks at the employment and business value characteristics of the affected businesses to determine the significance of the potential impact. A significant adverse direct displacement impact may exist 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 described in Chapter 1, "Project Description," the proposed actions include the creation of a Special Coney Island District which includes four subdistricts: Coney East, the amusement and entertainment retail core; Coney North, with residential, hotel, and retail uses; Mermaid Avenue, with residential and neighborhood retail uses; and Coney West, a new beachfront residential neighborhood with retail. If these development sites are redeveloped as assumed under the RWCDS, it is possible that existing businesses could be displaced, subject to lease terms and agreements between private firms and property owners existing at the time of redevelopment.

As described above in Section B, "Methodology, Data Sources, and Study Area Definition," this preliminary assessment requires a baseline, or "existing conditions" inventory of potentially displaced businesses. For purposes of analysis a November 2008 field survey—the most recent comprehensive inventory of uses on projected development sites—was used to estimate the businesses and associated employment currently located on projected development sites. At that time there were 56 businesses located on projected development sites (conservatively assuming businesses that were shuttered at the time of the survey were seasonal businesses, and not permanently closed). Since November 2008 it is known that a number of those businesses have permanently closed. As of December 2008, it was noted that a number of Astroland amusement businesses had closed. Much of what was observed included the dismantling of Astroland amusement rides, and large moving trucks parked outside of Astroland shops, and now Astroland is completely closed. Therefore, this following preliminary assessment, in considering the potential displacement of uses on projected development sites as of November 2008, conservatively over-estimates the number of businesses and associated employment potentially affected by the proposed actions. The detailed analysis of direct business displacement in Section E accounts for post-November 2008 closings of businesses on projected development sites as part of its discussion of the "Future Without the Proposed Actions."

PROFILE OF DIRECTLY DISPLACED BUSINESSES

There were 56 businesses located on the projected development sites in the rezoning area in November 2008. Approximately 38 of these establishments (68 percent) are amusement businesses (i.e., amusement rides, games, souvenir shops and fast food restaurants) related to the Astroland Amusement Park and Deno's Wonderwheel Park. Approximately 3 businesses (5 percent) are eating and drinking places, which service residents as well as visitors to the amusement area. The remaining 15 businesses (27 percent) include a deli, two supermarkets, a gift and souvenir store, a pharmacy, one medical service center, three furniture stores, a dry cleaner, a check cashing service, a taxi and limousine service, one toy store, one flower shop and one real estate insurance office.

A more detailed description of current business activity in the rezoning area is provided in Section E, "Detailed Analysis of Direct Business and Institutional Displacement."

CEQR ASSESSMENT CRITERIA

As part of the CEQR preliminary assessment, the following threshold indicators (numbered in italics below) are considered 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.

Table 3-1
Businesses Located on Projected Development Sites Under the Proposed Actions (as of November 2008)

Block	Projected Site No.	No. of Businesses	Type of Business	Industry Sector	Estimated Number of Employees
Coney North/Mermaid Avenue					
7064	Site No. 3	4	Fruit and vegetable market, taxi and limousine service, toy store and dry cleaner	Retail trade	10
		2	Restaurants	Arts, entertainment, recreation, accommodation and food services	6
		1	Check cashing service	Finance, insurance, real estate and rental and leasing	2
7063	Site No. 8	1	Gift and souvenir store	Retail trade	2
		1	Deli	Arts, entertainment, recreation, accommodation and food services	3
7061	Site No. 9	3	Supermarket, pharmacy, other medical service	Retail trade	8
Total Coney North/Mermaid Avenue Businesses		**12**		**Total Coney North Employees**	**31**
Coney West					
7071	Site No. 2	**1**	Limited service restaurant	Arts, entertainment, recreation, accommodation and food services	**3**
Coney East (Outside Astroland)					
7268	Site No. 19 & 20	4	3 furniture stores & 1 flower shop	Retail trade	12
7268	Site No. 18	1	1 real estate insurance office	Finance, insurance, real estate and rental and leasing	3
8695	Site No. 14	1	1 game shop	Arts, entertainment, recreation, accommodation and food services	2
8696	Site No. 12	22	13 games and rides, 5 amusement park souvenir shops and 4 snack bars/fast food restaurants	Arts, entertainment, recreation, accommodation and food services	44
Total Coney East Businesses (Outside Astroland)		**28**			**61**
Coney East –Astroland					
8696	Site No. 12 & 15	**15**	5 games, 3 amusement park souvenir shops, 4 vending booths and 3 snack bars/fast food restaurants	Arts, entertainment, recreation, accommodation and food services	**30**
Total Businesses on Projected Development Sites		**56**		**Total Employees on Projected Development Sites**	**125**

Notes: Employment figures were derived from AKRF site visits. Shopping goods, convenience goods and neighborhood services are estimated to employ about 2.5 persons (2 full-time employees and 1 part-time employee). Eating and drinking places and auto related service stores are estimated to employ about 3 full time employees. Astroland amusement rides, games and souvenir shops are estimated to employ 2 full-time employees, while the coin-operated games and ice cream booths are estimated to employ 1 person per booth/machine.
Sources: AKRF site visits, August 2007 and August and November 2008; Dun & Bradstreet for employment numbers.

As shown in **Table 3-1** above, the there were 56 businesses with an estimated 125 employees located on the projected development sites in November 2008. **Figure 2-8** shows the projected development sites on which these businesses are located. A majority of the potentially displaced businesses are amusement-related establishments and eating and drinking places, with the remainder being furniture stores and neighborhood service establishments. Given the amusement industry's economic value to the study area, its specific locational needs, and the unknown potential effects that the displacement would have on businesses and consumers, a detailed analysis is required to determine if the proposed actions would result in significant adverse impacts due to direct business displacement. See section E, "Detailed Analysis of Direct Business Displacement."

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 businesses on projected development sites are not subject to existing public policy initiatives to preserve or protect them. The rezoning area is not part of a designated Industrial Business Zone (IBZ) as identified in the *New York City Industrial Policy: Protecting and Growing New York City's Industrial Job Base* (January 2005), which created 14 such zones within the five boroughs to protect existing industrial uses and encourage future growth. In addition, the predominant uses in the rezoning area are in amusement and recreation related uses, which are not identified in this or other policy initiatives as needing special protection.

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." Despite some variety of land uses and business types, the predominant character of the rezoning area is that of an amusement area in which residential uses, local retail, transportation and utility uses, and some auto repair uses are prevalent. While there is no single business or institution that defines neighborhood character, the replacement of these amusement businesses and other local retail with new commercial, residential, and amusement uses proposed by the NYCDCP may, as defined above, represent a substantial change in neighborhood character. A detailed analysis is required to determine if the proposed actions would result in significant adverse impacts with respect to this criterion.

CONCLUSION

Overall, this preliminary assessment could not rule out the possibility of significant impacts, and therefore, a detailed analysis of direct business displacement is presented in Section E, "Detailed Analysis of Direct Business Displacement."

INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

According to Section 322.2 of the *CEQR Technical Manual*, in most cases the issue for indirect displacement of businesses or institutions is that an action would increase property values and thus rents throughout the study area, making it difficult for some categories of businesses to remain in the area. As the proposed actions are expected to attract a broad range of visitors from Brooklyn, New York City, and beyond, the businesses in close proximity to the rezoning area could be subject to indirect displacement pressures due to increased rents (as a result of increased business generated by new residents and an expanded visitor base in the rezoning area). Such displacement can be of concern if it were to result in changes to land use, population patterns, or community character. The following preliminary assessment first presents an economic profile of the study area, followed by responses to the screening criteria outlined in Chapter 3B, Section 322.2 of the *CEQR Technical Manual*.

ECONOMIC PROFILE OF THE STUDY AREA

As detailed in Chapter 2, "Land Use, Zoning, and Public Policy," the study area contains a combination of residential, institutional, industrial, commercial, open space, and utility uses. Current zoning primarily allows for medium-density residential use, with commercial overlay districts along key commercial streets. A small cluster of manufacturing districts and commercial districts is located in the northern portion of the study area.

According to 2000 Census data, the ½-mile study area had 8,780 employees (see **Table 3-2**). The estimated 125 employees working at businesses located on projected development sites represent less than two percent of the employment within this study area.

Table 3-2
2000 Employment by Industry Sector:
1/2-mile Study Area, Brooklyn, and New York City

	1/2-mile Study Area		Brooklyn		New York City	
Industry Sector	**Employment**	**Percent**	**Employment**	**Percent**	**Employment**	**Percent**
Agriculture, forestry, fishing and hunting and mining	0	0.0	445	0.1%	2,190	0.1
Construction	329	3.7	36,835	5.5%	171,880	4.6
Manufacturing	74	0.8	47,590	7.1%	226,420	6.0
Wholesale trade	155	1.8	22,760	3.4%	119,075	3.2
Retail trade	539	6.1	59,785	9.0%	306,865	8.2
Transportation and warehousing and utilities	1,309	14.9	59,145	8.9%	248,485	6.6
Information	105	1.2	16,615	2.5	219,010	5.8
Finance, insurance, real estate and rental and leasing	654	7.4	45,725	6.9	488,170	13.0
Professional, scientific, management, administrative, and waste management services	354	4.0	45,435	6.8	475,170	12.7
Educational, health and social services	3,450	39.3	219,180	32.8	838,210	22.3
Arts, entertainment, recreation, accommodation and food services	420	4.8	34,535	5.2	276,230	7.4
Other services (except public administration)	475	5.4	39,535	5.9	189,985	5.1
Public administration	903	10.3	39,210	5.9	191,285	5.1
Armed forces	10	0.1	680	0.1	2,150	0.1
Total	**8,780**	**100.0**	**667,475**	**100.0**	**3,755,130**	**100.0**

Sources: U.S. Census Bureau, 2000 Census; Reverse Journey-to-Work data, Table CTPP2 P-3; categorized by the North American Classification System (NAICS).

Table 3-3 estimates the change in the total number of employees and establishments in zip code 11224 from 2000 to 2006, which approximately overlaps the study area boundaries.[1] As seen in **Table 3-3**, there was a 17 percent increase (84 establishments) in the total number of establishments from 2000 to 2006. The largest increase in number of establishments was in the wholesale trade sector, which grew from 23 establishments in 2000 to 48 establishments in 2006 (109 percent). The arts entertainment and recreation industry grew by 22 percent (4 establishments) between 2000 and 2006. Overall, zip code 11224 had a 51 percent increase in employment between 2000 and 2006, from 4,870 jobs in 2000 to 7,369 jobs in 2006. The establishments in the arts, entertainment and recreation industry represented approximately four percent of the total establishments in zip code 1224 in 2006.

Table 3-3
Change in Total Establishments and Employees in Zipcode 11224 from 2000 to 2006

Industry	2000 Establishments	2006 Establishments	# Change	Percent Change
Utilities	2	3	1	50.0
Construction	32	39	7	21.9
Manufacturing	12	5	-7	-58.3
Wholesale trade	23	48	25	108.7
Retail trade	73	86	13	17.8
Transportation & warehousing	41	59	18	43.9
Information	2	5	3	150.0
Finance & insurance	11	12	1	9.1
Real estate & rental & leasing	33	23	-10	-30.3
Professional, scientific & technical services	52	48	-4	-7.7
Management of companies & enterprises	1	1	0	0.0
Admin, support, waste mgt, remediation services	18	15	-3	-16.7
Educational services	1	3	2	200.0
Health care and social assistance	62	86	24	38.7
Arts, entertainment & recreation	18	22	4	22.2
Accommodation & food services	38	48	10	26.3
Other services (except public administration	63	72	9	14.3
Unclassified establishments	11	2	-9	-81.8
TOTAL Establishments	**493**	**577**	**84**	**17.0**
TOTAL Employees	**4,870**	**7,369**	**2,499**	**51.3**
Sources: US Census Bureau, CenStats Databases, County Business Patterns Data (NAICS)				

As indicated in **Table 3-2** “2000 Employment by Industry Sector,” the highest concentration of businesses located within the study area as of 2000 could be found within the “Educational, Health and Social Services” category (39.3 percent, or 3,450 workers). Apart from local schools, site visits as of August 2008 confirm that jobs within these sectors can be found within some establishments located within the study area such as the Haber Houses Senior Center, Shorefront Jewish Geriatric Center and the Surf Solomon Senior Center. The next most prominent employment category was the “Transportation and Warehousing and Utilities” sector, accounting for 14.9 percent (1,309 employees) of the ½-mile study area’s employed population. A substantial portion of these businesses can be found along Neptune and Cropsey Avenues, throughout the northern portion of the ½-mile study area.

[1] A more recent estimate of employees and establishments in the study are was not available; therefore, zip code boundaries were used to estimate the change in total employees and establishments since 2000.

CEQR PRELIMINARY ASSESSMENT CRITERIA

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

The proposed actions would introduce a combination of residential and commercial uses in the form of amusement use, hotel rooms, “enhancing uses” and small scale accessory retail. With the exception of hotel use, none of these economic activities would be new uses within the area. In sum, the RWCDS assumes that the proposed actions would increase total residential use in 2019 by 2,407,941 sf (383.8 percent), commercial use by 403,980 sf (152.7 percent), and amusement use by 251,411 (264.9 percent); followed by an additional 4,019 parking spaces, and the introduction of 411,300 sf of hotel use.

While there are no actual hotels present in the study area, the economic activity associated with this proposed use would not be new to the study area. A hotel would generate visitor trips to the area and a demand for tourist consumer goods and services such as restaurants and gift shops. Visitor populations, and the consumer demands generated by such populations, are already generated by the existing recreation and amusement uses in the study area. And while there are no operating hotel uses noted within the rezoning or study area, site visits conducted in August 2008 revealed that some vacant sites were previously used as hotel facilities within the rezoning area.

The proposed actions are intended to create a year-round entertainment district to complement the open amusement park through the development of enclosed amusements, entertainment retail and hotels as a way to enhance and protect existing and previously existing uses. Therefore, the proposed actions would not create introduce new uses which would change the socioeconomic conditions in the study area.

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?***

The proposed actions would add to the residential inventory of the study area. Between 2000 and 2007, recent trends indicate a subtle increase of residential units in the study area (1.2 percent increase in units). The proposed actions would introduce a total of 2,408 dwelling units by 2019, which would represent an 11.7 percent increase in the number of housing units that would be built by 2019. Although the new housing units would increase the retail expenditure potential of the study area, this consumer spending would not constitute a new economic activity, given that the study area already contains a large residential population, and street-level retail is common along Mermaid and Surf Avenues, as well as the Boardwalk.

The proposed actions also would add to the concentration of retail uses in the rezoning area, reflecting an existing trend of retail uses supporting the Coney Island amusement area as well as the growing residential population. The type of commercial uses to be introduced would closely mirror the existing types of uses in the study area. As stated in Chapter 1, “Project Description,” the proposed actions would seek to strengthen the Coney Island amusement area by enhancing the district with new uses that are complementary to those allowed under existing zoning, create a new mixed-use destination that capitalizes on the beachfront location and historic amusement area; and create year-round activity.

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 area; i.e., those businesses that tend not to directly benefit (in terms of increased business activity) from the market forces generating the increases in rent. Where new residential and commercial developments scheduled to be constructed have been identified, an increased demand for convenience goods and neighborhood services is anticipated. 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 area even as total population is increasing, then that store may be vulnerable to displacement due to increases in rent.

The proposed actions would create a new customer base for existing businesses through the generation of new housing and a new Coney Island amusement area that would operate year-round. Increased volumes of visitors, pedestrian traffic and/or changing demographics of the area could result in changes in consumer preferences. However, the overall changes in residential and visitor demographics generated by the proposed actions would not be substantial enough to alter existing economic patterns in the study area. The population being introduced is projected to include residents in both affordable- and market-rate housing, resulting in a diverse demand for goods and services at a variety of price points. Similarly, the entertainment opportunities in the new Coney Island amusement area are intended to appeal to a mix of incomes, and therefore consumer spending from visitors would continue to occur at a range of price points. So, while some indirect business displacement could occur as a result of the proposed actions, the displacement would be limited and new retail uses would better capitalize on the market.

Given the high residential density and the strong residential market in the study area, there would still be the local demand for neighborhood retail and services necessary to maintain the strong retail presence along Mermaid Avenue and Neptune Avenue within the study area. Therefore, the indirect retail displacement that could result from increased rents would not lead to major changes within nearby commercial strips, would not result in adverse changes to neighborhood character, and would not result in significant adverse socioeconomic impacts.

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

The proposed actions would not displace uses or properties that have had a “blighting” effect on commercial property values in the area. By virtue of the amusement area’s visitation and continued maintenance, as well as increasing commercial rents, it is evident that existing uses have not had a blighting effect on commercial property values in the area.

As described in Chapter 2, “Land Use, Zoning, and Public Policy,” Coney Island has experienced a significant decline in attractions after the closing of Luna Park, Dreamland and Steeplechase Park. Despite this decline, Coney Island has (as of August 2008) continued to attract thousands of visitors per year indicating the area has not suffered from blight. While the seasonality of uses such as the various amusement rides and KeySpan Park have in the past created a desolate landscape along the Boardwalk between Surf Avenue and West 8th Street and other portions of the rezoning area, thousands of visitors have enjoyed the attractions during the summer months. Additionally, the New York City Department of Parks and Recreation (DPR) made on-going repairs to the Boardwalk through the summer of 2008.

While site visits confirm much of the land within the rezoning boundary is vacant or underutilized, recent publications and conversations with local real estate agents confirm that residential values and commercial rents have increased. Independent of the proposed actions, planned residential projects will add a total of 733 residential units to the ½-mile study area, indicating a trend toward residential growth. Further analysis of these trends is provided in Section D, "Detailed Analysis of Indirect Residential Displacement." Low vacancy rates, as well as the proposed development in the study area, suggest that there has not been a "blighting" effect on commercial property values in the rezoning area.

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

While the proposed actions could directly displace up to 40 businesses and an estimated 92 employees associated with those businesses, it also would result in the development of new residential, commercial and amusement uses. Therefore, the proposed actions would not permanently displace uses of any type that directly support businesses in the area or bring to the area people that form a customer base for local businesses. The proposed actions seek to add to uses that have historically attracted a customer base to the area, creating year-round venues such as enclosed amusements, additional eating and drinking establishments, entertainment and retail uses.

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

The purpose of the proposed actions is to develop a vibrant year-round urban amusement and entertainment destination by strengthening existing amusements, creating indoor entertainment uses, and building unique public spaces. The project seeks to capitalize on the beachfront location of the project site by developing a new mixed-use neighborhood that will provide job and housing opportunities for local residents.

While the proposed actions would not directly displace residents from the rezoning area, new development could directly displace up to 40 businesses and an estimated 92 workers associated with those businesses, and may result in limited indirect business displacement due to increase rents. The potentially displaced workers currently frequent existing area businesses, and in doing so contribute to their customer base. However, the proposed actions would introduce a combination of residential, commercial, amusement and hotel use, and as a result would add 5,876 residents, 2,878 employees, and an increased number of visitors to the new amusement area. The new visitors and residents introduced to the rezoning area would enhance the existing customer base of existing businesses in the area.

6. Would the project alter land use patterns such that the project offsets positive trends in the area, impedes efforts to attract investment to the area, or creates a climate for disinvestment that could lower property values?

As stated in Section D "Detailed Analysis of Indirect Residential Displacement," the proposed actions would not offset positive trends in the study area, impede efforts to attract investment, or create a climate for disinvestment. To the contrary, the proposed actions would introduce new populations and generate new employment opportunities, create affordable housing units and enhance public open space in order to meet the growing demands of the neighborhood.

CONCLUSION

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

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

According to the *CEQR Technical Manual*, a significant adverse impact may occur if an action would measurably diminish the viability of a specific industry that has substantial economic value to the City's economy. An example as cited in the *CEQR Technical Manual* would be new regulations that prohibit or restrict the use of certain processes that are critical to certain industries. The *CEQR Technical Manual* indicates that a more detailed examination is appropriate if the following considerations cannot be answered with a clear "no":

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

There were 56 businesses located on projected development sites in November 2008. These 56 businesses vary and are not particularly concentrated in one specific industry. They conduct a variety of business activities including retail, food service, and neighborhood services within the following three major industry sectors: retail trade; arts, entertainment, recreation, accommodation and food services (including amusement and amusement-related trades); and finance, insurance, real estate and rental leasing (see **Table 3-1**).

These industry sectors would remain viable within and outside the study area in the future with the proposed actions. While some of the 56 businesses would be displaced by the proposed actions (the detailed analysis of direct business displacement estimates that up to 40 businesses and 92 employees could be displaced), the proposed actions would re-introduce similar businesses with similar products and services, catering to both a residential and visitor consumer population. As witnessed on various visits to the site between August 2007 and December 2008, the area has experienced a substantial decrease in the amount of businesses within these industries. As detailed Section E, below, in the future without the proposed actions it is possible that the remaining amusement-related uses in the study area would not remain viable, as the study area no longer contains the critical mass of amusements that historically has brought consumers to the area. The intent of the proposed actions is to support the existing amusement industry that is in a current state of decline, by re-introducing almost 2,000 new amusement jobs. Likewise, a number of retail businesses would be re-introduced into the study area and New York City as a whole. As a result of the proposed actions, the amusement industry, as well as retail, food service and real estate businesses would see relative increases over the existing conditions. In effect, there would not be an adverse effect on any specific industry within or outside the study area.

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. While the proposed actions would displace some of the 56 businesses within three different industry sectors, the proposed actions re-introduce a substantial amount of new businesses and employment to the study area, having doubled the amount of commercial space within the rezoning area. With respect to pronounced loss of amusement businesses, the proposed actions would retain as well as enhance these uses, further attracting visitors from the Coney Island neighborhood and broader New York City metropolitan area. Thus, both new and enhanced establishments and attractions, as well as their associated employment, would add to the consumer population that would contribute to the viability of the retail trade and arts, entertainment, recreation, accommodation and food services sectors.

CONCLUSION

Based on the preliminary assessment, the proposed actions would not have the potential to have an adverse impact on specific industries within or outside the study area. The 56 businesses located on projected sites where displacement could occur—if the sites are redeveloped as assumed under the proposed actions—represent various industries, and their employees account for only a small fraction of the total employment in the study area. Therefore, there would be no significant adverse impact on specific industries.

D. DETAILED ANALYSIS OF INDIRECT RESIDENTIAL DISPLACEMENT

The preliminary assessment of indirect residential displacement indicated the need for further investigation into the proposed actions' potential to result in significant adverse impacts. Therefore, a detailed analysis has been performed. According to Chapter 3B, Section 332.1 of the *CEQR Technical Manual*, the approach to a detailed analysis of indirect residential displacement is similar to that of the preliminary assessment but requires more in-depth analysis of census information and may include field surveys. The objective of the analysis is to characterize existing conditions of residents and housing in order to identify populations that may be vulnerable to displacement ("populations at risk"), to assess current and future socioeconomic trends in the area that may affect these populations, and to examine the potential effects of the proposed actions on prevailing socioeconomic trends and, thus, its impact on the identified populations at risk.

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.

EXISTING CONDITIONS

As shown in **Table 3-4**, the entire study area population decreased by 3.6 percent between 1990 and 2000. However, the study area's population changes during that time were not geographically uniform. A closer look at individual Census tracts indicate the population markedly increased by 92.4 percent (511 residents) in Tract 348.01, which is located in the northern portion of the study area directly east of Coney Island Creek. Several large-scale residential developments were constructed during the 1990s in that area. Conversely, Census Tract 326—bounded by West 25th and West 16th street to the east and west, and Neptune and Surf avenues to the north and south—experienced the largest population decrease between 1990 and 2000 (-14.1 percent, or 1,188 people). The study area's overall decrease in population during the 1990s was in contrast to population gains experienced in both the borough of Brooklyn (7.2 percent increase) and the City (9.4 percent) over this same time.

Table 3-4
1990 and 2000 Population

	Total Population 1990	Total Population 2000	Absolute Change (1990 to 2000)	Percent Change (1990 to 2000)	Total Population 2007	Absolute Change (2000 to 2007)	Percent Change (2000 to 2007)
½-Mile Study Area	48,124	46,415	-1,709	-3.6	46,988	573	1.2
Brooklyn	2,300,664	2,465,326	164,662	7.2	2,528,050	62,724	2.5
New York City	7,322,564	8,008,278	685,714	9.4	8,274,527	266,249	3.3

Notes: The 2007 population for the study area was estimated by applying the 2000 average household size and vacancy rate to the total number of new units added to the study area between 2001 and 2007. Most recent 2007 population for Brooklyn and New York City is from the U.S. Census Bureau's Annual Population Estimates.
Sources: U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census, Summary File 1; New York City Department of Finance; Real Property Assessment Data 2008; AKRF.

More recent RPAD data from 2008 and U.S. Census 2007 estimates indicate population increases in the study area, Brooklyn, and the City between 2000 and 2007. Within the study area, an estimated 242 units were added between 2000 and 2007, with most of the growth occurring directly east of the rezoning area within Census tract 356. Assuming that the 242 housing units added to the ½-mile study area have the same occupancy rates as study area units in 2000, an estimated 235 of the 242 housing units would be occupied. Thus, these additional housing units added approximately 573 persons to the ½-mile study area, increasing its residential population to 46,988 (a 1.2 percent increase between 2000 and 2007). During this same period, Brooklyn and New York City increased their population at a slightly faster rate than the study area—2.5 and 3.3 percent, respectively.

Table 3-5 shows residential population age distributions in 1990 and 2000. By 2000, the majority of residents within the ½-mile study area were weighted in either the "60+" category (26.9 percent) and the "0-17" category (24.6 percent). Between 1990 and 2000, residents in this "60+" category increased their share by 62.0 percent, while residents within the 0-17 age bracket decreased in size from 26.3 to 24.6 percent—evidence that younger residents starting families had not moved into the study area over this time. Based on a New York Times article, a large portion of the long-term elderly found in Mitchell-Lama complexes such as the Warbasse Houses are defined as a "Norc" (naturally occurring retirement community). The majority of these residents moved into the study area during the 1960s and 1970s, and have remained ever since.[1] Compared to the Borough and City, the study area has a much larger percentage of total population within the "60+" age bracket.

Table 3-5
Age Distribution 1990 & 2000

	1990					2000				
	0-17	18-24	25-34	35-59	60+	0-17	18-24	25-34	35-59	60+
½-Mile Study Area	26.3	10.8	17.6	28.7	16.6	24.6	8.3	10.9	29.4	26.9
Brooklyn	25.0	9.8	12.4	24.8	28.0	26.9	10.3	15.8	31.7	15.3
New York City	26.3	10.8	17.5	28.6	16.9	24.2	10.0	17.1	33.0	15.6

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

[1] The New York Times. www.nytimes.com. Oser, Alan. "A Big Refinancing at a Middle-Income Co-op," April 28th, 1996.

Table 3-6 shows median household income reported in 1989 and 1999 (presented in 2008 dollars), as well as the percent of population earning incomes below the poverty level. Relative to the Borough and City, the ½-mile study area had a much lower household median income reported in both years. In 1999, the median household income in the study area was $28,989. By comparison, this was 47.9 percent less than Brooklyn's median household income ($42,874), and 62.4 percent less than the City's ($47,091). However, this disparity is due in large part to the presence of a low-income population residing in nine New York City Housing Authority (NYCHA) developments, containing approximately 4,093 housing units, and 9,385 residents.[1] In addition, according to brokers and the Astella Development Corporation—a non-profit, community organization in Coney Island—there is a large proportion of residents within the study area who use Section 8 vouchers or employ government-subsidized loans to rent or finance their homes.

Table 3-6
Income Characteristics

	Median Household Income			Poverty Status		
	1989	1999	% Change	1989	1999	% Change
½-Mile Study Area	$30,521	$28,989	-5.0	24.7	32.9	33.2
Brooklyn	$46,442	$42,874	-7.7	22.7	25.1	10.6
New York City	$53,894	$47,091	-12.6	16.2	21.2	30.9

Notes: All dollars presented in constant 2008 dollars using the US Department of Labor's 2008 Consumer Price Index for the "New York-Northern New Jersey-Long Island area."
Sources: 2000 U.S. Census, Summary File 3.

In 1999, an estimated 32.9 percent of the study area population was living in poverty, a higher rate than in Brooklyn and New York City. Between 1989 and 1999, population in the study area decreased, but the share of persons below the poverty level increased by 33.2 percent (from 24.7 percent of the population to 32.9 percent). This increase was higher than that of the Borough (10.6 percent increase), and slightly higher than the City (30.9 percent). A significant number of low-income residents were introduced to the area through the development of new affordable housing, particularly between 1980 and 1990 through the introduction of New Partnership Homes.[2] As described further under "Assisted Home Ownership" below, the State of New York along with HPD developed New Partnership Homes throughout New York City for families earning between $32,000 and $75,000 annually. The program produced various condominiums, single-family town houses, and two and three family homes in the study area.

Table 3-7 shows a distribution of incomes as of 1999, presented in 2008 dollars. Overall, income distributions of the study area were similar to the overall Borough. Almost half of all the study area residents earned less than $26,683—the lowest income category. Incomes within this bracket were most pronounced in the study area at 49.5 percent, compared to the Borough (34.2 percent) and the City (29.0). Overall, the Borough and City's incomes were more evenly distributed.

[1] New York City Housing Authority: www.nyc.gov/html/nycha/html/developments/dev_guide.shtml, accessed June 6, 2008.

[2] AKRF, Inc. site visits and 2008 RPAD.

Table 3-7
Income Distribution, Year 1999

	Less than $26,683		$26,683 to $53,366		$53,367 to $100,063		$100,064 to $166,773		$166,774 and higher		Total
	Number	%	Number	%	Number	%	Number	%	Number	%	
½-Mile Study Area	9,136	49.5	4,063	22.0	3,469	18.8	1,540	8.4	232	1.3	18,440
Brooklyn	301,553	34.2	210,938	23.9	216,668	24.6	122,801	13.9	29,046	3.3	881,006
New York City	876,094	29.0	681,572	22.6	777,270	25.7	508,105	16.8	179436	5.9	3,022,477

Notes: All dollars presented in constant 2008 dollars using the US Department of Labor's 2008 Consumer Price Index for the "New York-Northern New Jersey-Long Island area." The above income categories reflect income brackets specified in the 2000 Census, adjusted to 2008 dollars.
Sources: U.S. Census 2000, Summary Tape File 3.

As shown in **Table 3-8**, the total number of households in the study area decreased by 2.5 percent (473 households) between 1990 and 2000, while the numbers for Brooklyn and New York City increased by 6.3 and 7.2 percent, respectively. During this same time the study area also experienced a decrease in the average household size, which dropped 3.2 percent since 1990. Increases were less pronounced at the Borough and City level (0.4 and 2.0 percent, respectively).

Table 3-8
Household Characteristics

	Total Households			Average Household Size[1]		
	1990	2000	%Change	1990	2000	% Change
½-Mile Study Area	18,898	18,425	-2.5	2.52	2.44	-3.2
Brooklyn	828,199	880,727	6.3	2.74	2.75	0.4
New York City	2,819,401	3,021,588	7.2	2.54	2.59	2.0

Notes: [1] Average household size for the study area were calculated by subtracting the total number of persons living in group quarters from the total population, and dividing by the total number of households.
Sources: U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census, Summary File 1 and Summary File 3.

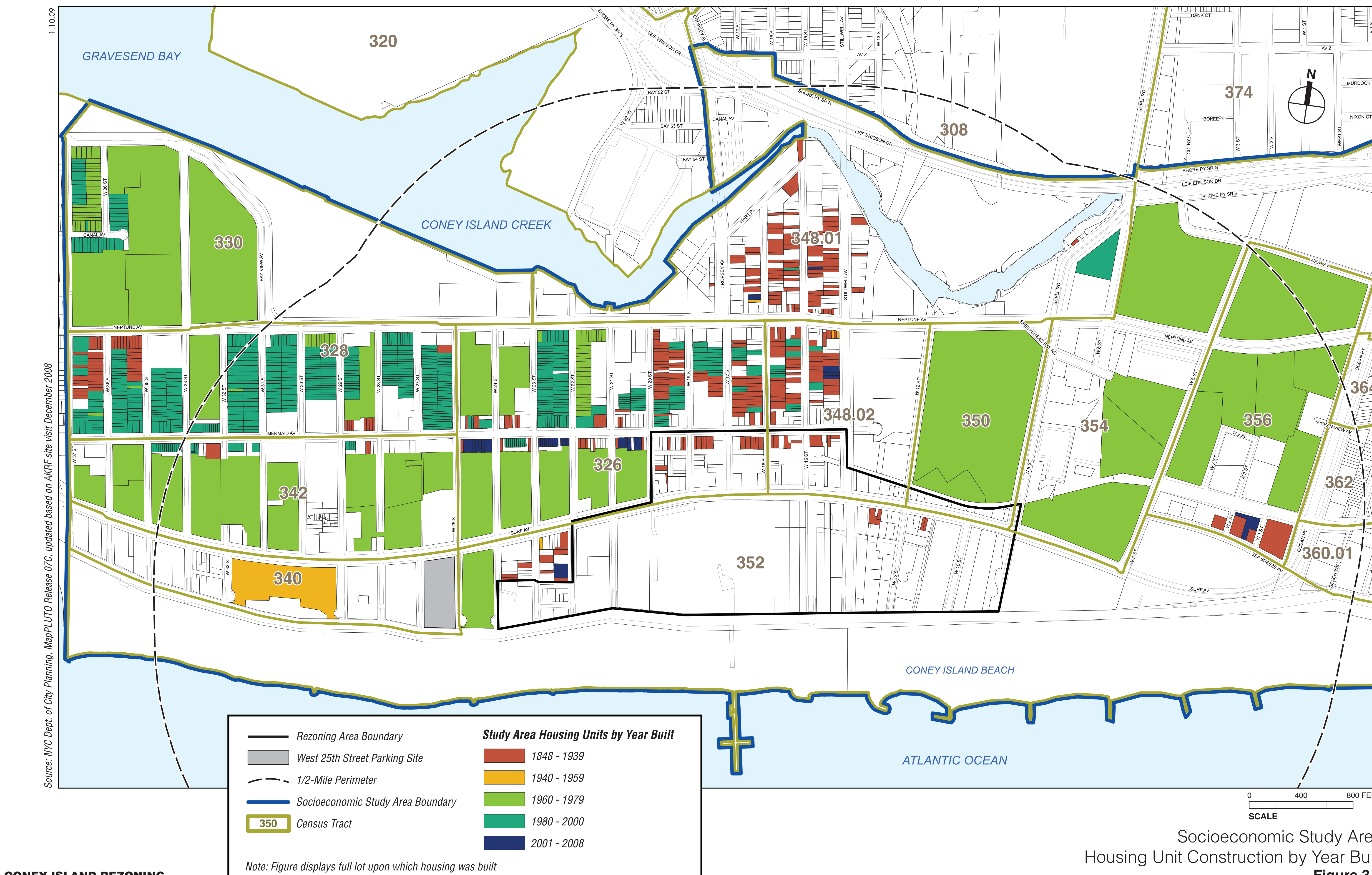
Like the total number of residents and households, the total number of housing units in the study area decreased moderately (1.5 percent, as shown in **Table 3-9**). Conversely, housing units Borough and City wide increased by 6.5 and 7.0 percent, respectively.

Table 3-9
Housing Units

	1990	2000	2007	% Change 1990 to 2000	% Change to 2007
½-Mile Study Area	19,274	18,992	19,234	-1.5	1.3
Brooklyn	873,671	930,866	959,408	6.5	3.1
New York City	2,992,169	3,200,912	3,325,824	7.0	3.9

Sources: U.S. Census, 1990 and 2000, Summary Tape File 3; and New York City Department of Finance 2008 RPAD database.

With respect to the age of the study area's housing stock, a substantial amount of area development occurred between 1960 and 1979 (68.8 percent, see **Table 3-10** and **Figure 3-2**). According to RPAD, the majority of these units can be found in large residential complexes containing between 120 and 1,760 units. Many of the units in large buildings are owned by



Socioeconomic Study Area
Housing Unit Construction by Year Built
Figure 3-2

NYCHA; however, a total of seven buildings built between 1960 and 1979 are part of Trump Village (owned by Trump Village Realty), located in the northeast portion of the study area (in Tracts 356 and 354). The Trump Village buildings originally contained Mitchell-Lama units, but these units have turned over to rental and for-sale units since the summer of 2007.[1] Similarly, residential units in Brightwater Towers—located in Census Tract 354 on the corner of West 5th Street and Surf Avenue—were converted from rental to sales units in 1992.[2] Additionally, 360 units within Ocean Towers were released to the rental market, located within Census Tract 326.[3]

Table 3-10
Housing Units by Year Built in 2000

	Built 1939 or earlier		Built 1940 to 1959		Built 1960 to 1979		Built 1980 to 2000		Total housing units	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
½-Mile Study Area	1,219	6.4	2,953	15.5	13,090	68.8	1,758	9.3	19,020	100.0
Brooklyn	397,460	42.7	283,135	30.4	190,689	20.5	59,582	6.4	930,866	100.0
New York City	1,151,286	36.0	998,069	31.2	762,214	23.8	289,343	9.0	3,200,912	100.0

Notes: The number of housing units in this table presents sample data from Summary File 3. However, the total number of housing units in Table 3-10, "Housing Units: 1990, 2000, Est. 2007" presents 100 percent data from Summary File 1.
Sources: U.S. Department of Commerce, Bureau of Census, 1990 and 2000 Census, Summary File 3.

As shown in **Table 3-11**, the year 2000 vacancy rate of the study area was 3.0, which was slightly less than that of Brooklyn (5.4 percent) and New York City (5.6 percent). Over 20 percent of the vacant units in the ½-mile study area were concentrated just north of the rezoning area between West 25th and West 10th streets to the west and east, and Neptune and Surf Avenues to the north and south (in Tract 326). A total of 80.8 percent of the residential population in the study area were renters, which was slightly higher than the Borough and City's rates. Tract 354—bounded by West 8th and West 6th Streets to the west, Belt Parkway to the North, West 5th Street to the east and Surf Avenue to the south—contained the highest percent of owners (50.5 percent), while Tract 340, located along the Boardwalk within the southwestern portion of the study area, contained the highest percentage of renters (98.9 percent).

Table 3-11
Tenure and Occupancy

	2000 Vacancy Rate		2000 Tenure, All Occupied Units	
	% Occupied	% Vacant	% Owner Occupied	% Renter Occupied
½-Mile Study Area	97.0	3.0	19.2	80.8
Brooklyn	94.6	5.4	27.1	72.9
New York City	94.4	5.6	20.1	79.9

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

[1] Trump Village Realty. www.trumpvillagerealty.com. Accessed September 19, 2008.

[2] The New York Times. www.nytimes.com. Scharfenberg, David. "Living in Coney Island, Brooklyn; Safety Belts On? Renewal Has Its Hazards," November 19, 2006.

[3] New York State Divisions of Community Housing and Renewal. http://www.dhcr.state.ny.us/Publications/Mitchell-LamaAnnualReport/mlhcar07id. html. Accessed September 30, 2008.

Table 3-12 shows housing value characteristics of the study area, Borough and New York City. In 2008 dollars, the median contract rent in the study area did not change between 1990 and 2000, while rents went up 7.1 and 7.8 percent in the Borough and City, respectively. In 2000, the median contract rent in the study area was $570, which was 45.4 percent lower than the Borough and 55.8 percent lower than the City. The median housing value of the ½-mile study area was $107,801—183.7 percent lower than the Borough, and 192.5 percent lower than the City.

Table 3-12
Housing Value Characteristics

	Median Contract Rent[1]			Median Housing Value1	
	1990	2000	% Change	19902	2000
½-Mile Study Area	$570	$570	0.0	NA	$107,801
Brooklyn	$774	$829	7.1	NA	$305,796
New York City	$824	$888	7.8	NA	$315,365

Notes:
1 All dollars presented in constant 2008 dollars using the US Department of Labor's 2008 Consumer Price Index for the "New York-Northern New Jersey-Long Island" area.
2 The 1990 Median home value is not reported because the 1990 value was based on "specified owner-occupied housing units" only, while the 2000 median was based on all owner-occupied housing units. The two data sets are not comparable.
Sources: U.S. Department of Commerce, Bureau of Census, 1990 and 2000 Census, Summary File 1 and Summary File 3.

In both 1990 and 2000, the vast majority of housing units within the ½-mile study area fell within the "large-scale, multi-family buildings" category (containing 20 or more units, see **Table 3-13**). As of 2000, 85 percent of all residential buildings within the ½-mile study area contained 20 or more units; 27.6 percent (4,093 units) were within NYCHA buildings, ranging from 124 to 684 units in size. Buildings of this size were also most prominent in New York City (52.7 percent). At the same time, medium scale, multi-family buildings (3 to 19 units) were relatively more common among housing units in Brooklyn (34.2 percent).

Table 3-13
Units per Structure

			Single Family Homes		Townhouses		Medium-Scale Multi-Family Building		Large-Scale Multi-Family Building		Other	
	Total Units		1, detached		1 or 2 units		3 to 19 units		20 or more units		Mobile Home, Boat, RV, van, etc.	
	1990	2000	1990	2000	1990	2000	1990	2000	1990	2000	1990	2000
½-Mile Study Area	19,274	18,992	0.6	1.2	4.2	6.5	6.4	6.9	86.1	85.0	2.6	0.4
Brooklyn	3,146	930,866	4.2	5.0	26.3	26.8	32.6	34.2	35.5	33.9	1.5	0.1
New York City	2,582	3,200,912	8.4	5.6	18.8	16.9	22.1	24.7	49.0	52.7	1.7	0.1

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

RECENT RESIDENTIAL TRENDS

Median home value data reported in the 2000 Census are based on respondents' estimates of how much their properties would sell for if they were for sale, and median contract rent reported includes data on rent-regulated and rent-controlled apartments. Therefore, these data do not always accurately reflect true market rental rates and sale prices. In order to develop a more accurate picture of the current residential real estate market in the study area, the census data are supplemented with information from DCP, local brokerage firms, a local affordable housing development corporation and various internet sites.

Data gathered through these sources indicate that 2008 market rate home values and rental rates for newly constructed units in the study area are substantially higher than those reported by the 2000 Census. Drawing upon Coney Island’s close proximity to the ocean, new market-rate apartments and condominiums have been constructed or turned over within the past seven years, offering amenities such as ocean views and doorman services. Though not all fully occupied, both completed and planned construction projects of market-rate units have introduced rental rates and home values that are above the U.S. Census 2000 reported median contract rent and home value for homes in the area. These include developments such as 3080 West 1st Street (34 units) and 2836 Stillwell Avenue, as well as the recent turnover of market rate units from previously protected Mitchell-Lama units. These include Brightwater Towers and Trump Village, for example.

Overall, sale prices in the study area are relatively high, particularly for newly constructed units with an ocean view. Based on local real estate web research conducted in September 2008, the average listing price for single home sales was $600,308 with a median sales price of $413,400—both substantially higher than the 2000 Census assessed median home value of $107,801.[1] Brightwater Towers for example, sold units at prices that ranged between $300,000 for a one bedroom unit and $500,000 for a two bedroom units. A more comprehensive search of for sale properties listed online indicated a median sales listing price of $359,000.[2]

The study area’s median contract rent remained unchanged between 1990 and 2000 ($570 for both years), this was due in large part to the high percentage of rent-regulated housing housed within several NYCHA developments. However, a 1998 article citing Jacob Shayovitz, president of the Brooklyn Board of Realtors, indicated rents for one to three bedroom apartments in the Brighton Beach/Coney Island area ranged from $816 to $1,632 (in 2008 dollars), respectively.[3] More recent research of current rental rates indicates there was a drastic increase over the next ten years. A search of real estate listings yielded rental rates between $1,350 for a one bedroom apartment to $2,200 for a two bedroom apartment—which was more than double this assessment (in 2008 dollars).[4]

Rentals within older buildings, which are more likely to accept Section 8 vouchers, draw upon a different market than newly constructed units. According to a local expert, most of these units paid for with vouchers are found in older study area buildings of fair to poor condition, priced at the current Fair Market Value (FMR) as determined by the Department of Housing and Urban Development (HUD).[5] The FMR ranges from $1,185 for a one bedroom apartment, to $1,823 for a

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[1] www.Trulia.com (accessed September 25, 2008)

[2] A total of 38 listings were found on www.trulia.com, www.ziprealty.com, www.zillow.com, and www.nytimes.com.

[3] Hevesi, Dennis. “In ‘Rent’ 1998, the Renters Sing the Blues.” The New York Times, June 28, 1998. www.nytimes.com

[4] Rental listings researched on www.nytimes.com and www.craigslist.org (accessed September 25, 2008 and December 18, 2008).

[5] Interview with Judi Stern Orlando, Executive Director of Astella Development Corporation; December 16, 2008.

four bedroom apartment in 2008.[1] These older and/or non-renovated units rent at lower rates than the market rate of newly constructed or renovated units.

The introduction of new market-rate developments by means of local rezonings, new construction, and the release of Mitchell-Lama units to the rental and sales market suggests that the ½-mile study area has changed in both its housing stock and demographic. Furthermore, these existing newly constructed market-rate developments are evidence that potentially displaced properties have not historically had a "blighting" effect on the surrounding ½-mile area.

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 the legal rent is $2,000 and the apartment is occupied by tenants whose total annual household income exceeded $175,000 for each of the past two years.[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.

According to the Astella Development Corporation, a high proportion of households in market rate units in the study area receive Section 8 vouchers to subsidize the cost of housing.[3] Given that Section 8 vouchers are subject to ceilings on rent, for purposes of the vulnerable population analysis (below) it is conservatively assumed that households with rents subsidized by Section 8 vouchers are potentially vulnerable to displacement.

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[1] Section 8 voucher holders are able to choose a unit with a higher rent than the FMR and pay the landlord the difference, or choose a lower priced unit and keep the difference.(www.hud.gov; accessed December 16, 2008).

[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.

[3] Interview with Judy Orlando, Executive Director of Astella Development; December 18, 2008.

Mitchell-Lama Housing: According to the New York City Department of Housing Preservation and Development (HPD), the New York State Mitchell-Lama Program was created in 1955 as a means of providing affordable rental and cooperative housing to moderate- and middle-income families. Under the Mitchell-Lama program, the City and State provide low-interest mortgages and/or tax exemptions to Mitchell-Lama buildings, and in exchange, building owners must adhere to limitations on profits, income limits on tenants, and supervision by appropriate government agencies. Income requirements for Mitchell-Lama housing vary by development, household size, and rent rates, but in non-Section 236 Mitchell-Lama apartments (not covered by the HUD), eligibility is based on the area median income as determined by HUD. The income requirements vary by household size. For instance, the income limits are $49,625.00 for a 1-person household, $56,687.50 for a 2-person household, $63,812.50 for a 3-person household, and $70,875.00 for a 4-person household.[1] There are two Mitchell-Lama buildings in the study area—Luna Park, located at 2885 West 12th Street and the Warbasse Houses—located in Census Tract 354 and 356, bounded by West 6th Street and Ocean Parkway to the east and west, and West and Neptune Avenues to the north and south. In total, these buildings contain 4,161 units.[2]

According to a Brooklyn Daily Eagle article[3], both the Mitchell-Lama buildings cited above have considered opting out of the program. The article states that the shareholders of Amalgamated Warbasse houses voted against going private in the past, but remain open to considering it in the future. At Luna Park, the board voted 329-240 against a feasibility study to go private because of the study's cost, but necessary building repairs may make them consider the option. In the event that these buildings become privatized, like Ocean Towers, a former Mitchell-Lama development also in the study area, the units would go to market rate once the existing tenants move out. Residents in Ocean Towers were given opportunity to apply for enhanced Section 8 vouchers that allow them to remain in their apartment, but with more stringent requirements.[4] These enhanced vouchers remain with the unit, and if and when a tenant moves, the voucher becomes converted into a regular Section 8 voucher.[5] Section 8 Enhanced Vouchers protect recipients from unaffordable rent increases by paying the difference between HPD-approved "market rents" and a household's subsidized rent or 30 percent of income, whichever is greater. And unlike standard Section 8 vouchers, Section 8 Enhanced Vouchers are not subject to ceilings on rents which apply to regular Section 8 vouchers, and therefore alleviate indirect displacement pressures for residents with Enhanced Vouchers.

Public housing: According to HPD, public housing refers to housing units constructed and managed by government for low-income households. In New York City, public housing

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[1] Department of Housing Preservation and Development

[2] Total Luna Park units derived from Division of Housing and Community Renewal www.dhcr.state.ny.us; total number of units from Warbasse Houses derived from the development's website http://amalgamatedwarbassehouses.com/history.htm. Locations of these developments were found in RPAD.

[3] Ryley, Sarah. "Coney Loses 3,180 Mitchell-Lama Units; Others are Looking to Opt Out." Brooklyn Daily Eagle. February 16, 2007. www.brooklyneagle.com

[4] Ryley, Sarah. "Coney Loses 3,180 Mitchell-Lama Units; Others are Looking to Opt Out." Brooklyn Daily Eagle. February 16, 2007. www.brooklyneagle.com

[5] Affordable No More: New York City's Looming Crisis in Mitchell-Lama and Limited Dividend Housing. City of New York, Office of the Comptroller. http://comptroller.nyc.gov/bureaus/opm/reports/Feb18-04_Mitchell-Lama_Report.pdf, page 6

developments are managed by the New York City Housing Authority (NYCHA) and most are funded in large part by HUD. Within the study area there are a total of 9 public housing complexes, containing 4,093 housing units.[1]

421-a buildings: According to HPD, newly constructed multiple dwelling buildings with four or more units are eligible for 421-a tax abatement status. Units must remain rent stabilized for the period during which units receive real estate tax benefits. Initial rents are set by HPD according to a formula that accounts for development costs and operating expenses, and landlords 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.

Assisted Home Ownership

Partnership New Homes Program: According to HPD, the State of New York along with HPD developed homes throughout New York City for families earning between $32,000 and $75,000 annually. The program produces condominiums, single-family town houses, and two and three family homes. Developers are selected through a Request for Qualifications (RFQ) issued and advertised jointly by HPD and the Housing Partnership. To ensure that the completed buildings are affordable, the City may provide (depending on market conditions) a subsidy of $10,000 per unit (i.e., $30,000 for a three-family home), as well as the subordinated value of the City-owned land, in the form of a loan that evaporates over a 25-year period. All homes also receive a 20-year partial Real Property Tax exemption pursuant to Article 16 of the New York State General Municipal Law. Additional funding of up to $15,000 per unit may be provided by the New York State Affordable Housing Corporation. The marketing of the homes to purchasers is carried out by local not-for-profit organizations which advertise the availability of the homes and review applications.[2] As stipulated by HPD housing deed, these partnership homes are to accommodate single families, and be owner occupied for 40 years. Owners must sign an affidavit to certify the unit is their primary residence, and are not to be rented.[3]

The majority of New Partnership Homes are concentrated within the area bounded by Neptune Avenue, West 15th Street, Mermaid Avenue and West 37th Street. In total, there are an estimated 780 units, almost all of which were built between 1980 and 1995 (approximately 95 percent). Additionally, with the exception of eight two-family units, the majority observed only contain one unit.

Federal 235 Homeownership Program: Under this program, HUD makes a monthly interest reduction payment on mortgages to lenders on behalf of qualified homeowners. The interest rate

[1] The New York City Housing Authority. www.nyc.gov/html/nycha, accessed August 18, 2008.

[2] New York City Department of Housing Preservation and Development. http://www.nyc.gov/html/hpd/html/ developers/partnership-new-homes.shtml, accessed November 20, 2008.

[3] Interview with Judy Orlando, Executive Director of Astella Development; December 16, 2008.

is lowered based upon the homeowner's income.[1] In the Coney Island area, there are approximately 180 homes in the northwest corner of Tract 330 whose homeowners qualified for this program at the time of their construction. In 1997, the Housing and Community Development Act terminated the Section 235 program at the end of the fiscal year 1999, but there are still homeowners who receive aid from past commitments.[2]

UNPROTECTED UNITS

In accordance with *CEQR Technical Manual* guidelines, the number of unregulated units was estimated based on data obtained from RPAD and Census data.[3] **Table 3-14** provides calculations on the numbers of unprotected 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 area that are in buildings that meet the following criteria, and therefore are assumed to be unprotected from rent increases: (1) they are privately owned buildings (i.e., no public housing units); (2) the buildings contain rental units; (3) they are in buildings that are not old enough to be subject to rent control or rent stabilization; and/or (4) they are in buildings too small to be subject to rent control or rent stabilization.[4] The total number of residential buildings with one to four units and five or more units built after 1974 in the study area was determined using RPAD.

Based on the calculations shown in **Table 3-14**, the study area contains approximately 15,725 renter-occupied units, of which an estimated 1,089 units (6.9 percent of the total renter-occupied units) are currently unprotected. A tract-by-tract analysis of unprotected units is presented in **Table 3-15**.

IDENTIFYING POPULATION AT RISK

The next step in the analysis is to determine whether the unprotected renter populations in the study area are "at risk;" i.e., whether they have income characteristics that make them vulnerable to displacement pressures. To determine whether a population at risk exists in the study area, the *CEQR Technical Manual* recommends analyzing "Census data on income and renters in structures containing fewer than six units" (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 analysis provides an estimate of a population currently at risk of indirect displacement, irrespective of the proposed actions. The "Future with the Proposed Actions" section below considers whether the population identified as "at risk" could be displaced as a result of the proposed actions.

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[1] "HUD07: Refinance Section 235 Mortgages" University of North Texas. <http://govinfo.library.unt.edu/npr/library/reports/hud07.html> Accessed December 18, 2008

[2] "Federal Housing Assistance." Ways and Means Committee. http://waysandmeans.house.gov/media/pdf/greenbook2003/FEDERALHOUSINGASSISTANCE.pdf. Accessed December 18, 2008

[3] Comprehensive counts of rent-regulated housing are available only for geographic areas that are larger than the study areas.

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

Table 3-14
Unprotected Units

Row #			Total	Notes
1	**Base of Unprotected Units: Units in Buildings with 1-5 Units**	Number of units in buildings with 1-4 units	1,584	Derived from RPAD and AKRF field survey[1]
2		Number of renter occupied units in buildings with 1-4 units	713	(Row 1) * (Renter occupancy rate for buildings with 1-4 units)
3		Number of units in buildings with 5 units	115	Derived from RPAD
4		Number of renter occupied units in buildings with 5 units	114	(Row 3) * (Renter occupancy rate for buildings with 5-9 units)
5		Total number of renter-occupied units in 1-5 unit buildings	827	(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 2007	3,041	Derived from RPAD
7		Total units *(renter- and owner-occupied)* built between 1974 and 2007 and in buildings with 5 units or less	808	Derived from RPAD
8		Public housing units built between 1974 and 2007	1,956	Derived from RPAD
9		Total units *(owner & renter-occupied)* in buildings with more than 5 units, built after January 1, 1974	277	(Row 6) - (Row 7) - (Row 8) This number was derived by taking the total number of units built between 1974 and 2007 and subtracting out public housing units built between 1974 and 2007 and subtracting those in buildings with 5 or fewer units (to avoid double counting).
10		Number of *rental* units in buildings with more than 5 units, built after January 1, 1974	262	(Row 9) * (renter occupancy rate for buildings with 5+ units) This row filters out owner-occupied units by applying the renter-occupancy rate for each census block group
11	**Total Unprotected Rental Units**	Total number of renter-occupied units that are unprotected	1,089	(Row 5) + (Row 10)
12		Total number of residential units	19,450	Derived from RPAD
13		Total number of renter-occupied units	15,725	(Row 12) * (renter occupancy rate for all units)
14		Percent of renter-occupied units that are unprotected	6.9%	(Row 11) / (Row 13)

Note: 1. RPAD estimate was updated based on AKRF December 2008 site visits to account for vacant buildings and inaccurate RPAD reporting.
Sources: New York City Department of Finance Real Property Assessment Data (RPAD) 2008 database; Census 2000; AKRF, Inc. site visits, December 2008.

Table 3-15
Unprotected Housing Units by Census Tract

Tract	Total number of renter-occupied units	Unprotected Housing Units: Rental Units in 1-5 Unit Buildings	Rental units in buildings with more than 5 units built after Jan. 1, 1974	Total Renter-occupied units that are unprotected	Percent of Total Unprotected Units	Percent of renter-occupied units that are unprotected
326	2,261	307	0	307	28.2	13.6
328	532	130	0	130	11.9	24.3
330	1,614	52	0	52	4.8	3.2
340	772	0	0	0	0.0	0.0
342	2,846	25	0	25	2.3	0.9
348.01	319	160	160	320	29.4	100.0
348.02	267	137	41	178	16.4	66.8
350	1,274	0	0	0	0.0	0.0
352	519	15	36	51	4.7	9.8
354	1,953	0	0	0	0.0	0.0
356	3,367	0[1]	25	25	2.3	0.8
Total	15,725	827	262	1,089	100.0	6.9

Notes:
[1]The 2000 Census reported the presence of rental units in 1-5 unit buildings; however, RPAD 2008 database indicates that these units are no longer present in the Census Tract.
Sources: New York City Department of Finance Real Property Assessment Data (RPAD) 2008 database; 2000 Census; AKRF, Inc. site visits, December 2008 (to verify RPAD and Census data).

The following steps were used to identify population at risk:

1. Census 2000 tract-level data were used to determine the average household income of renters in small (1-4 units) buildings. As described above, these buildings are not generally subject to rent regulation laws. The population at risk analysis is done at census tract level since average household income for renters by size of building is not available at block group level from the US Census.

2. For each census tract, the average household income for renters in small buildings was compared to the average household income for renters in large buildings to determine where income disparities exist between renters in small and large buildings. This information was used to gain a better understanding of the income distribution across housing types and census tracts. Average incomes were used in place of median incomes for this analysis because census data on median household income by size of building is not publicly available.

3. For each census tract, the average household income for renters in small buildings was compared to the average household income for all renters in Brooklyn. If the average for small buildings was lower than the borough-wide average for all renters, the census tract was identified as having a potentially vulnerable population.

4. Census tracts identified as having a potentially vulnerable population were examined in greater detail to determine whether the discrepancy in average incomes between renter-occupied small buildings in the tract and all renter-occupied buildings in Brooklyn is indicative of a truly vulnerable population. In some cases, for example, the income discrepancy is likely to have decreased since the 2000 Census (due to new construction) and, in others, the geographic location of the census tract makes it less vulnerable to indirect displacement pressures. Any tracts that were not screened out through this more detailed examination of current conditions were assumed to contain some vulnerable population.

The Census data are generally consistent with the prediction that incomes for renters in small, unregulated buildings would be higher than the incomes for renters in regulated buildings. This is true for all census tracts in the study area with the exception of Tracts 352 and 356. The study area census tracts and rezoning area boundary are depicted in **Figure 3-1**.

Census tracts in which the average household income for renter-occupied units in small buildings is lower than the average household income for all renter-occupied units in Brooklyn are shown in italics. As described above, this is the criterion used for identifying tracts that could contain a vulnerable population.

Population at Risk

Census tracts are considered to house a potentially vulnerable population if renters living in small buildings within the tract earn an average household income lower than the average for all renters in the Borough. As shown in parentheses in **Table 3-16**, a total of 6 out of 11 Census tracts are considered to contain a renter population potentially vulnerable to displacement: Tracts 326, 330, 342, 348.02, 352 and 356. Census tracts were individually analyzed to confirm the presence of a vulnerable population by means of the following factors: the location of unprotected units (used to determine a proximity to the location of the proposed actions); age of the current housing stock; and the presence of newly developed housing (pre and post-2000).

Table 3-16

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

Census Tract	Average Household Income in Small Buildings[2]	Average Household Income in Large Buildings	Difference between Small Buildings and Borough Average[3]	Estimated Number of Residents Living In Unprotected Units[4]
326	$38,982	$25,267	$(8,852)	*953*
328	$51,992	$15,943	$4,158	*422*
330	$34,910	$33,814	$(12,923)	*157*
340	-	$29,179	-	*0*
342	$46,134	$25,607	$(1,699)	*66*
348.01	$55,324	$52,071	$7,490	*881*
348.02	$22,329	$18,628	$(25,505)	*587*
350	$20,586[5]	$48,329	$(27,247)	*0*
352	$9,523	$17,019	$(38,311)	*79*
354	$63,267	$44,963	$15,434	*0*
356	$30,892[5]	$50,734	$(16,941)	*48*
Total				3,193

Notes: U.S. Census Bureau, 2000 Census, Summary File 3.
[1] All dollars presented in constant 2008 dollars using the US Department of Labor Consumer Price Index for the "New York-Northern New Jersey-Long Island" area.
[2] The average household income for small renter-occupied buildings is based on renter-occupied units in buildings with one to four units.
[3] This number represents the difference between the average household income for renters in small buildings and the average household income for all Brooklyn renters ($47,833).
Tracts in italics are those in which the average household income for renter-occupied units in small buildings is lower than the average household income for all renter-occupied units in Brooklyn.
[4] This figure was calculated by applying the average household size of each individual Census tract to the number of unprotected units.
[5] The average household income estimate provided in the 2000 Census was based on rental units in 1-5 unit buildings that are no longer present in the Census Tract, based on RPAD 2008 database.
Sources: U.S. Census Bureau, 2000 Census, Summary File 3.

Census Tract 326

Tract 326 contains an estimated 307 unprotected units, housing an estimated 953 residents—the highest potentially vulnerable population of all tracts within the study area (see **Table 3-15** and 3-16). Census 2000 data indicate that residents living in small buildings containing one to four units earned $38,982—22.7 percent lower than the average for all renters in Brooklyn. By comparison, the median household income of the entire tract was $16,065, which was slightly less than half the renter average living in small buildings. Recent residential growth consists of 39 new residential units constructed along the south side of Mermaid Avenue between 2000 and 2007. Recent site visits confirmed many of the homes (approximately 250) within this Census tract are part of the Partnership New Homes program. As such, these residents are home-owners whose median household income must fall between $32,000 and $75,000 annually, contributing to the tract's relatively low median household income.

Census Tract 330

Located at the northwest border of the rezoning area, Census Tract 330 contains a total of 52 unprotected units, with an estimated population of 157 residents that are potentially vulnerable to displacement. The Tract consists of both residential land use, predominantly occupied by Gravesend—a NYCHA property that consists of 15 buildings, 634 apartments and 1,541 residents and Coney Island Site 4A, containing 672 units (all residents of NYCHA properties are protected from rent increases and are thus not at risk of displacement); and the Leon S. Kaiser Playground. As of 2000, renters living in small buildings had an average household income of $34,910, which was 37.0 percent lower than the Borough average for all renters, though 72.2 percent higher than the Tract's median household income ($20,276). However, this median household income figure captures residents living in these protected NYCHA housing units. Approximately 55 percent of all residential units were built between 1960 and 1979. More recent RPAD data indicate there has been no residential construction since 2000.

A total of 52 unprotected units within Tract 330 were found to be at risk of displacement; however, theses units are located further than ½-mile from the rezoning area. In addition, these units are partially separated from the rezoning area by the previously mentioned NYCHA property (18 buildings total) and Kaiser Playground (26.26 acres in size). In this case, is likely that the tract's physical distance from the rezoning area and close proximity to public housing will limit the proposed actions' influence over residential trends in this part of the study area.

In addition, these units are known to have been developed under the 235 Homeownership Program. As stated by Judi Stern Orlando, the Executive Director of a local affordable housing developer, the majority of these units are still owner-occupied. Moreover, the few that may have opted out of this federally subsidized loan may be renting these units at the current market rate.[1] Given that a majority of the units are likely owner-occupied and the market rate rent for the rental units is above an affordable amount for low- to moderate-income households, the 52 units are not vulnerable to indirect residential displacement pressures.

Census Tract 342

Census Tract 342—located just west of the rezoning area—contains an estimated 25 unprotected units housing 66 residents. Those residents living in small buildings earned $46,134—3.7 percent less than the Borough average for all renters, and roughly 3.5 times higher than the

[1] Interview with Judy Orlando, Executive Director of Astella Development; December 16, 2008.

Tract's median household income ($10,069). Similar to tract 326, roughly 70 percent of residential units that were built before 2000 were constructed between 1960 and 1979. Site visits confirmed a number of these homes along Mermaid Avenue are New Partnership Homes. According to RPAD, no residential units were built after 2000.

Census Tract 348.02

Containing a small portion of Coney North, Census Tract 348.02 is home to approximately 178 unprotected units, with an estimated total population of 587 residents. Renters living in small buildings earned $22,329—slightly less than half of what all Brooklyn renters earned in 1999, and 37.4 percent less than the Tract's median household income ($16,250). Among all study area Census tracts, Tract 348.02 had the highest concentration of units built in 1939 or earlier (30.5 percent). A total of 41 units were constructed between 2000 and 2007. Most residential buildings contain between one and five units, located between Neptune and Mermaid on West 16th, 15th and Stillwell Avenue. Site visits conducted in November 2008 revealed that 41 of the 178 unprotected units were located at 2882 West 15th Street in a newly developed building. It is likely that these new market-rate units house a population able to afford rent increases. Therefore, it is estimated that Census Tract 348.02 contains an estimated total of 137 potentially vulnerable units, housing approximately 450 residents.

Census Tract 352

There are currently 54 unprotected units containing an estimated 83 renters. With the exception of three buildings, all unprotected units are located along West 22nd and 23rd Streets, between Surf Avenue and the Boardwalk (outside the rezoning area boundary). Renters living in small buildings earned a 1999 average household income of $9,523 dollars, which was nearly one-fifth of the Borough renter average household income, and the lowest in the study area. By comparison, the Tract's median household income was 21.1 percent lower than the average income for renters living in small buildings. Census data indicate that a majority of units were built before 1980 (95.7 percent). RPAD data from 2007 show that a total of 36 unprotected units were added to the Tract in 2005; however, recent site visits and calls to brokers confirmed these units will be rented at market rate ($900 for a studio and $1,200 for a one bedroom).[1] Accordingly, renters in those units could afford rent increases, and are not a potentially vulnerable population. Therefore, Census Tract 352 contains a total of only 18 units, housing an estimated 28 renters who are potentially vulnerable to indirect displacement.

Census Tract 356

Census Tract 356, located at the far east end of the study area closest to Brighton Beach, contains approximately 25 unprotected units, home to an estimated potential 48 renters as of December 2008. The 25 unprotected units are housed within a market-rate luxury development, 3080 West 1st Street—whose for sale units were listed at $315,000 for a one bedroom condominium to 550,000 for a three bedroom. New renters currently moving into luxury buildings such as this one can afford rent increases, and therefore the building would not—at its full occupancy—contain a population at risk of indirect displacement.

The remainder of the tract includes the Amalgamated Warbasse Houses, containing approximately 2,585 apartment units, sits at the north end of the Tract, fronting Ocean Parkway and West 5th Street. On the other hand, Trump Village contains a number of units that are no

[1] Interview with a representative from Homes are Beautiful Inc., December 18, 2008.

longer operated under the Mitchell Lama program, and have since gone private as of 2007. According to Trump Village realtor Rachel Shapiro, two buildings (containing a total of 886 units) have been released and their units are being rented and sold at market rate. Listings range from $185,000 for a studio to $425,000 for a three bedroom condominium. As well, rental units within the Trump Village complex ranged from $1,400 for a one bedroom apartment to $2,000 for a two bedroom apartment.[1]

CONCLUSION: POPULATION AT RISK

Table 3-14 identified an estimated 1,089 renter-occupied units that were unprotected. On a tract-level basis, **Tables 3-15** and **3-16** uses the most recent average income data (based on building size) from the Census to more accurately identify which of these 1,089 units contains a population at risk. A more thorough analysis of factors including the location of residential units within each Census tract, the age and type of the housing stock, and recent development trends, further portray what—if any—market trends are present among these Census tracts containing a vulnerable population.

Thus, the detailed analysis finds that there are an estimated 1,497 residents living in 487 rental units who are currently at risk of displacement, if their rents were to increase. The potentially vulnerable units are located in Census Tracts 326, 342, 348.02, and 352. The size and general location of a population potentially vulnerable to indirect residential displacement is the best estimate based on currently available data of incomes and building sizes.

THE FUTURE WITHOUT THE PROPOSED ACTIONS

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 area through 2019. The analysis for the study area is based on projects known to be planned for the area.

The study area is expected to gain approximately 1,345 housing units by 2019 without the proposed actions, for a total of 20,579 housing units. Overall, this is a 7.0 percent increase from the number of housing units in 2007. Based on the 2000 study area average household size (2.44) and occupancy rate (97.0 percent), the study area will gain an additional 3,184 new residents by 2019, bringing the total population to 50,172. This is a 6.8 percent increase from the population in 2007 (see **Table 3-17**).

Table 3-17
Population and Housing Growth: No Build Scenario, 2007- 2019

	Housing Units				Population[1]			
	2007 Existing Housing Units	Add'l Housing Units	2019 No Build Total Housing Units	Percent Growth	Existing Population	Growth to 2019	2019 No Build Total Population	Percent Growth
½-Mile Study Area	19,234	1,345[2]	20,579	7.0	46,988	3,184	50,172	6.8

Notes:
[1] Population growth was calculated by applying the 2000 average household size (2.44) and vacancy rate (3.0 percent) of the study area to the total number of housing units anticipated to be added to the 1/2-mile study area between 2007 and 2019.
[2] This figure includes units that would have been developed on projected development sites (612 total) within the proposed rezoning area.
Sources: U.S. Department of Commerce, Bureau of the Census, year 2000, AKRF site visits, DCP, New York City Department of Buildings and New York Economic Development Corporation.

[1] Interview with Rachel Shapiro, real estate broker of Trump Village Realty, September 25, 2008.

Planned projects to be constructed by 2019 include a combination of market-rate units and units affordable to a low-income population. The 1,497 at-risk residents identified in the existing conditions analysis could experience rent pressures as a result of the introduction of market-rate units in the future without the proposed actions. However, for purposes of a conservative analysis, it is assumed (as stated above) that there would continue to be a total of 1,497 residents vulnerable to displacement.

THE FUTURE WITH THE PROPOSED ACTIONS

The analysis of the future with the proposed actions considers the effects of the proposed actions in concert with no action trends and conditions. This section analyzes the uses under the proposed actions by 2019 and evaluates the potential for indirect residential displacement associated with those changes.

The proposed actions would result in the addition of up to 2,408 residential units to the study area, increasing the housing stock to 22,987 dwelling units in 2019. This addition would increase the number of residential units by approximately 11.7 percent in the study area by 2019 as compared to the future without the proposed actions.

Based on the 2000 average household size for the study area (2.44 persons per household), the proposed actions would add up to 5,876 residents to the study area by 2019, an increase of 11.7 percent compared to the 2019 No Build population (see **Table 3-18**).

Table 3-18
Population and Housing Growth: Build Scenario, 2019

	Housing Units				Population			
	2019 Housing Units	Add'l Housing Units	2019 Build Total Housing Units	Percent Growth	2019 Population	Add'l Population	2019 Total Build Population	Percent Growth
½-Mile Study Area	20,579	2,408	22,987	11.7	50,172	5,876	56,048	11.7

Notes: Population growth was calculated by applying the 2000 average household size (2.44) and vacancy rate (3.0 percent) of the study area to the total number of housing units anticipated to be added to the 1/2-mile study area between 2007 and 2019. Full occupancy is assumed for the proposed actions.
Sources: U.S. Department of Commerce, Bureau of the Census, year 2000, AKRF site visits, DCP, New York City Department of Buildings and New York Economic Development Corporation.

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

There is an existing trend towards increased rents that is expected to accelerate in the future without the proposed actions. The study area already has experienced a noteworthy increase in the number of new market-rate housing, and will receive substantially more irrespective of the proposed actions. As indicated above, approximately 1,345 new residential units, a vast majority of which will be market rate, are expected to be added to the study area in the future without the proposed actions. This is a 12.5 percent increase over the estimated number of housing units in the study area under existing conditions. The No Build units will introduce a substantial new population with high incomes relative to the existing population. It is therefore anticipated that with or without the proposed actions, some portion of the estimated 487 at-risk study area households (1,497 residents)[1] could be indirectly displaced due to rent increases.

Nevertheless, there is the potential for the proposed actions to accelerate the study area's trend toward increased rents, resulting in a greater amount of indirect residential displacement than expected in the future without the proposed actions. As mentioned above, the RWCDS would increase the study area population by 5,876 residents (or 11.7 percent) over the future No Build scenario. Of that population, an estimated 4,394 residents would be living in market-rate units and would have higher incomes than most households within the study area. The proposed actions would therefore introduce a substantial new population, and that population is expected to have different socioeconomic characteristics compared with the overall character of the study area population.

DETERMINING IMPACT SIGNIFICANCE

Although the *CEQR Technical Manual* does not suggest thresholds for determining the significance of indirect residential displacement impacts, it does say that an impact could generally be considered significant and adverse if "households or individuals would be displaced by legal means…they would not be likely to receive relocation assistance, and, given the trend created or accelerated by the proposed actions, they would not be likely to find comparable replacement housing in their neighborhood."

The proposed actions, by potentially accelerating trends toward increased rents in the study area, could result in the indirect displacement of an at-risk population who would not be likely to find comparable replacement housing in the neighborhood. As detailed above, there are an estimated 1,497 study area residents in 487 units that are potentially vulnerable to displacement, if their rents were to increase. While this potential displacement would be an adverse impact, it would not be a significant adverse impact requiring mitigation as defined under CEQR. The potentially displaced residential population (1,497 residents) represents only 3.2 percent of the total estimated 2007 population in the study area. A population loss of this magnitude would not substantially alter the demographic composition of the study area. Within the study area there are over 4,000 New York City Housing Authority (NYCHA) owned properties and approximately 780 other government-financed properties that house low- to moderate-income families. These affordable units account for roughly a quarter of the entire housing stock in the study area (25.3 percent), and would maintain a wide range of income in the future with the proposed actions. In addition, the displacement's effects on study area demographics would be further offset by the proposed actions' introduction of approximately 607 new affordable housing units.

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[1] This detailed analysis estimates that the study area contains approximately 487 households (1,497 residents) living in Census Tracts 326, 342, 348.02, and 352 that would be vulnerable to indirect displacement if their rents were to increase. This would account for a total of 2.1 percent of units in the study area in the year 2019 with the proposed actions. The analysis does not predict that the proposed actions would result in the indirect displacement of all of these vulnerable households.

E. DETAILED ANALYSIS OF DIRECT BUSINESS DISPLACEMENT

The potential for significant adverse impacts due to direct business displacement could not be ruled out through the preliminary assessment presented in Section C, “Preliminary Assessment.” Based on guidelines in Chapter 3B, Section 331.2 of the *CEQR Technical Manual*, the following sections provide a more detailed analysis of direct business displacement in order to determine whether the proposed actions could result in significant adverse impacts. The analysis is framed in the context of existing conditions and the future conditions without and with the proposed actions.

EXISTING CONDITIONS

This section describes business characteristics and trends within the ½-mile study area. It starts with an employment profile of the study area, comparing it to Brooklyn and New York City trends. The analysis then focuses on the economic activities within the rezoning area and its context within the ½-mile study area, including an in-depth characterization of visitation patterns to Coney Island based on a study prepared by Audience Research and Analysis. It is within this context that the analysis describes the existing role of the potentially displaced businesses within the study area’s economy. The analysis considers whether the businesses and employment that could be displaced are of substantial economic value to the study area as defined by CEQR, and describes relocation options. It also addresses whether the potentially displaced businesses define the character of the area in a socioeconomic sense.

The business and employment estimates used for this direct displacement analysis are based on field investigations conducted in August 2007, and August, November and December of 2008. Between August 2007 and December 2008 there were substantial changes in the number of active businesses on projected development sites within the study area, most notably the amusement-related businesses associated with Astroland and Deno’s Wonderwheel Park. For purposes of analysis, the November 2008 field survey—the most recent comprehensive inventory of uses on projected development sites—was used to depict “existing conditions,” or the businesses currently located on development sites. At that time there were 56 businesses located on projected development sites (conservatively assuming businesses that were shuttered at the time of the survey were seasonal businesses, and not permanently closed). Since November 2008, it is known that a number of those businesses have permanently closed. The section below entitled, “The Future Without the Proposed Actions” accounts for post-November 2008 closings of businesses on projected development sites.

ECONOMIC ACTIVITY

This section presents an employment profile for the ½-mile study area, and describes ways in which that profile has changed over time. Employment data are not available from the Department of Labor for Census tracts or other geographic areas smaller than zip codes. Although zip code boundaries do not conform exactly to the project’s ½-mile study area, zip code 11224 captures a large portion of the study area’s geography and is therefore used as the basis of the discussion on employment trends in the study area. This zip-code study area captures all of the employment located in the ½-mile study area.

Employment Trends

In order to put employment shifts in the study area into a broader context, it is useful to first examine employment trends in the Borough of Brooklyn. Private sector employment in

Brooklyn has changed noticeably in numbers and character over the past several decades. As shown in **Table 3-19**, employment decreased by approximately 28 percent, or 138,375 workers, between 1960 and 1980, and then rose after 1980, to approximately 405,870 in 2002.[1]

Table 3-19
Brooklyn Private Sector Employment: 1960-2002

Industry Sector (SIC)	Employment						Percent Change	
	1960	1970	1980	1990	2000	2002	1990-2002	1960-2002
Manufacturing	224,600	177,700	102,418	66,251	41,845	34,496	-47.9	-84.6
Construction	21,000	16,000	12,331	20,695	24,024	20,886	0.9	-0.5
TCPU	32,800	41,400	27,539	22,814	25,559	22,831	0.1	-30.4
Wholesale Trade	28,800	25,800	23,518	26,535	28,197	25,228	-4.9	-12.4
Retail Trade	79,700	80,000	65,486	65,125	67,017	66,770	2.5	-16.2
FIRE	27,800	26,200	23,427	22,604	27,042	26,948	19.2	-3.1
Services	84,100	87,000	103,349	147,136	191,420	200,255	36.1	138.1
All Other	1,000	1,100	3,346	2,484	2,993	8,444	239.9	744.4
TOTAL	**499,800**	**455,200**	**361,425**	**373,830**	**408,103**	**405,868**	**-8.6**	**-18.8**

Notes: TCPU stands for Transportation, Communication, and Public Utilities. FIRE stands for Finance, Insurance, and Real Estate.
Sources: NYS Department of Labor

Of all major employment categories, manufacturing experienced the largest decline in both absolute and relative terms. Between 1960 and 2000, the sector lost approximately 182,755 employees, or over 80 percent of its employment base. Moreover, between 2000 and 2002, manufacturing employment dropped by another 7,350 employees, or by about 17 percent. Manufacturing employment in the Borough of Brooklyn decreased by approximately 48 percent over the 12-year period. This decrease is reflective of a broader citywide decrease in manufacturing employment over the past several decades. Citywide, employment in the manufacturing sector fell by approximately 75 percent between 1960 and 2000.

Table 3-20 shows the most current employment data for the zip code (11224) in which the rezoning area and study area are located, as compared to Brooklyn and New York City. The transportation, warehousing and utilities sector had the largest number of jobs (33.2 percent) in the study area in 2007, as compared to Brooklyn (3.8 percent) and New York City (3.4 percent) as a whole. In 2007, the heath care and social assistance industry was the second largest industry in the study area employing approximately 2,004 persons (28.4 percent). These numbers primarily reflect the presence of the New York City Department of Homeless Services and the Sea Crest Health Care Center in the study area. Almost 32 percent of the total employees in Brooklyn were employed in the heath care and social assistance industry as compared to 17.6 percent in New York City as a whole. Retail trade employment in the study area was 8.4 percent, as compared to 13.3 percent in Brooklyn and 9.4 percent in New York City. The arts, entertainment and recreation industry employed 4.4 percent of total employees (345 persons) in the study area as compared to 1.1 percent and 2.1 percent in Brooklyn and New York City, respectively. The arts, entertainment and recreation industry combined with retail trade made up only 13.3 percent of the total employment in the study area.

[1] In 2002, the US Census Bureau replaced its historic industry classification system—the Standard Industrial Classification (SIC) system—with the North American Industry Classification System (NAICS). This makes it difficult to compare employment and business data from before and after 2002. Therefore, the trend data presented in this analysis stop at 2002.

Table 3-20
3rd Quarter 2007 Employment by Industry

Industry	Zip Code 11224 Total Employment	Zip Code 11224 % of Total Employment	Brooklyn Total Employment	Brooklyn % of Total Employment	New York City Total Employment	New York City % of Total Employment
Agriculture, Forestry, Fishing, and Mining	N/A	0.00	52	0.01	239	0.01
Utilities	D	0.00	4,301	1.00	15,488	0.50
Construction	166	2.35	26,669	6.19	127,488	4.14
Manufacturing	57	0.81	24,769	5.75	100,184	3.25
Wholesale Trade	92	1.30	24,284	5.63	139,304	4.52
Retail Trade	593	8.40	57,447	13.33	290,770	9.43
Transportation, Warehousing & Utilities	2,339	33.15	16,459	3.82	103,495	3.36
Information	D	N/A	6,605	1.53	156,673	5.08
Finance & Insurance	89	1.26	17,319	4.02	342,550	11.11
Real Estate & Rental & Leasing	275	3.90	14,583	3.38	118,863	3.86
Professional Scientific & Technology	57	0.81	12,339	2.86	323,409	10.49
Management of Companies	N/A	0.00	1,460	0.34	57,783	1.87
Administrative & Support & Waste Management & Remediation Services	19	0.27	18,503	4.29	190,985	6.20
Educational Services	5	0.07	18,063	4.19	116,834	3.79
Health Care & Social Assistance	2,004	28.40	136,053	31.56	543,048	17.62
Arts Entertainment & Recreation	345	4.89	4,849	1.12	64,410	2.09
Accommodation & Food Service	313	4.44	21,731	5.04	231,431	7.51
Other Services	183	2.59	21,020	4.88	139,845	4.54
Unclassified	57	0.81	4,541	1.05	17,427	0.57
Government	N/A	0.00	N/A	0.00	N/A	0.00
Total Employment	**7,056**	**100.00**	**431,067**	**100.00**	**3,082,492**	**100.00**

Notes: "D" stands for data that has been suppressed for confidentiality reasons by the NYSDOL.
Sources: NYSDOL, 3rd Quarter, 2007.

Recent Trends in Study Area

As seen in **Table 3-21**, there was a loss of total establishments in the manufacturing industry from 13 establishments (2.9 percent) in 1998 to 5 establishments (0.9 percent) in 2006. Retail trade increased by 17 establishments, from 69 establishments (15.2 percent) in 1998 to 94 establishments (14.9 percent) in 2006. The arts, entertainment and recreation industry represented a smaller percentage of jobs in the study area in 2006 from 1998 (0.6 percent less from 1998). However, the number of establishments in the arts, entertainment and recreation industry grew from 20 establishments in 1998 to 22 establishments in 2006. The number of establishments in the construction industry increased from 25 establishments (5.5 percent) in 1998 to 39 establishments (6.8 percent) in 2006.

Table 3-22 shows recent sales completed in the Coney Island ½-mile study area. The average sales price for storage buildings in the study area ranged from $253 per square foot to $599 per square foot. Commercial sales in the study area ranged from $147 per square foot to $569 per square foot, whereas warehouses sold at approximately $160 per square foot.

The average rents in the Coney Island study area for commercial space range from $25 to $35 per square foot. In the first two of the last five years, commercial rents in the study area increased slightly, but have remained fairly steady over the last three years.[1] Older businesses in the study area have been there for a long time, but the currency vacancy rate is unknown.

[1] Based on conversation with Brian Hanson at Massey Knakal, September 26, 2008

Table 3-21
Total Establishments by Industry in Zipcode 11224 from 1998 to 2006

Industry	1998		1999		2000		2001		2002		2003		2004		2005		2006	
	Est.*	%	Est	%	Est.	%	Est.	%	Est.	%	Est.	%	Est.	%	Est.	%	Est.	%
Utilities	2	0.4	2	0.4	2	0.4	2	0.4	2	0.4	2	0.4	3	0.5	3	0.5	3	0.5
Construction	25	5.5	28	6.0	32	6.5	28	5.8	30	5.7	40	7.6	41	7.3	37	6.5	39	6.8
Manufacturing	13	2.9	14	3.0	12	2.4	14	2.9	11	2.1	11	2.1	12	2.1	7	1.2	5	0.9
Wholesale trade	25	5.5	19	4.1	23	4.7	26	5.4	32	6.1	39	7.4	41	7.3	47	8.3	48	8.3
Retail trade	69	15.2	72	15.5	73	14.8	70	14.5	85	16.2	78	14.8	88	15.6	94	16.6	86	14.9
Transportation & warehousing	47	10.3	42	9.1	41	8.3	38	7.9	49	9.3	51	9.7	50	8.9	52	9.2	59	10.2
Information	5	1.1	4	0.9	2	0.4	1	0.2	3	0.6	4	0.8	8	1.4	6	1.1	5	0.9
Finance & insurance	15	3.3	15	3.2	11	2.2	10	2.1	10	1.9	9	1.7	12	2.1	10	1.8	12	2.1
Real estate & rental & leasing	33	7.3	31	6.7	33	6.7	34	7.1	36	6.9	31	5.9	31	5.5	23	4.1	23	4.0
Professional, scientific & technical services	26	5.7	30	6.5	52	10.5	53	11.0	47	9.0	39	7.4	38	6.7	35	6.2	48	8.3
Management of companies & enterprises	1	0.2	1	0.2	1	0.2	1	0.2	1	0.2	2	0.4	2	0.4	2	0.4	1	0.2
Admin, support, waste mgt, remediation services	10	2.2	13	2.8	18	3.7	12	2.5	17	3.2	19	3.6	15	2.7	19	3.4	15	2.6
Educational services	1	0.2	1	0.2	1	0.2	1	0.2	2	0.4	3	0.6	4	0.7	2	0.4	3	0.5
Health care and social assistance	52	11.4	60	12.9	62	12.6	60	12.4	69	13.1	67	12.7	76	13.5	81	14.3	86	14.9
Arts, entertainment & recreation	20	4.4	20	4.3	18	3.7	19	3.9	21	4.0	20	3.8	21	3.7	20	3.5	22	3.8
Accommodation & food services	36	7.9	36	7.8	38	7.7	35	7.3	40	7.6	40	7.6	44	7.8	49	8.7	48	8.3
Other services (except public administration	69	15.2	67	14.4	63	12.8	69	14.3	66	12.6	69	13.1	73	13.0	75	13.3	72	12.5
Unclassified establishments	6	1.3	9	1.9	11	2.2	9	1.9	4	0.8	3	0.6	4	0.7	4	0.7	2	0.3
TOTAL	**455**	**100**	**464**	**100**	**493**	**100.0**	**482**	**100.0**	**525**	**100.0**	**527**	**100.0**	**563**	**100.0**	**566**	**100.0**	**577**	**100.0**

Note: *Total Establishments
Sources: US Census Bureau, CenStats Databases, County Business Patterns Data (NAICS)

Table 3-22
Completed Sales in Coney Island Study Area

Building Class Category	Price	Square Footage	Price per square foot	Address
22 Store Buildings	$600,000	2,374	$252.74	1525 Neptune Avenue
	$1,000,000	4,628	$216.08	1205 Bowery
	$2,400,000	4,008	$598.80	1047 Surf Avenue
	$2,500,000	4,406	$567.41	1114 Surf Avenue
26 Other Hotels	$3,750,000	8,352	$448.99	1228 Surf Avenue
27 Factories	$3,300,000	1,700	$1,941.18	1739 Neptune Avenue
28 Commercial Condos	$22,308	152	$146.76	501 Surf Avenue (Block 7279, Lot 1735)
	$24,000	152	$157.89	501 Surf Avenue, 152
	$40,000	152	$263.16	501 Surf Avenue, 182
	$41,000	152	$269.74	501 Surf Avenue (Block 7279, Lot 1505)
	$540,881	950	$569.35	501 Surf Avenue
29 Commercial Garages	$800,000	3,383 (Land sq ft)	$236.48	1527 Surf Avenue
	$11,644,395	27,588 (Land sq ft)	$422.08	3616 Surf Avenue
	$19,555,605	36,322 (Land sq ft)	$538.40	3033 West 36th Street
30 Warehouses	$1,950,000	12,000	$162.50	1217 Surf Avenue
	$4,125,000	25,000	$165.00	2737 West 23rd Street
31 Commercial Vacant Land	$590,000	4,750	$124.21	2710 West 15th Street
	$730,000	5,503	$132.65	2706 West 16th Street
	$1,595,000	7,330	$217.60	805 Surf Avenue
	$1,850,000	7,759	$238.43	821 Surf Avenue
	$5,000,000	7,316	$683.43	West 23rd Street (Block 7071, Lot 226)
	$6,650,000	2,170	$3,064.52	Highland Avenue (Block 7071, Lot 27)
	$10,000,000	31,000	$322.58	1314 Bowery
	$90,000,000	167,672	$536.76	2015 Boardwalk West
32 Hospital and Health Facilities	$3,500,000	2,800	$1,250.00	2902 Mermaid Avenue
35 Indoor Public and Cultural Facilities	$900,000	3,938	$228.54	1041 Surf Avenue
	$1,000,000	12,816	$78.03	1105 Bowery
	$1,000,000	5,220	$191.57	1207 Bowery
	$3,056,600	1,058	$2,889.04	1218 Bowery
	$3,250,000	22,470 (Land sq ft)	$144.64	1222 Bowery
	$3,599,071	12,554	$286.69	1212 Surf Avenue
	$6,700,000	8,000	$837.50	3048 West 12th Street
	$19,060,500	2,000	$9,530.25	3030 Stillwell Avenue

Sources: Websites include http://www.nyc.gov/html/dof/html/property/property_val_sales.shtml (2007/2008 Rolling Sales + 2007 Annualized Sales + 2006 Annualized Sales). All websites accessed June, 2008.

REZONING AREA LAND USE, BUILDING CONDITION, AND ECONOMIC ACTIVITY

The following describes the land uses, building condition and economic activity in the rezoning area. Most of the 47 acres of the rezoning area is divided into the four subdistricts of the proposed *Special Coney Island District*: Coney East, Coney West, Mermaid Avenue, and Coney North. Outside of the four subdistricts, the remainder of the rezoning area is a large parcel between Surf Avenue and Riegelmann Boardwalk, which is occupied by KeySpan Park, the Parachute Jump and an area of vacant land located along the Boardwalk.

Aside from Coney Island’s few remaining historic icons and some residential and commercial buildings on Mermaid Avenue, much of the land throughout the proposed rezoning area is either vacant or underutilized. In addition, a number of Astroland amusement-related businesses have closed. Most block frontages on both the north and south sides of Surf Avenue, the district’s major east-west thoroughfare, are either vacant or used as parking lots.

Coney East

The predominant land use in the Coney East subdistrict as of November 2008 was the Coney Island amusement area. Other uses in this subdistrict include commercial retail, transportation facilities, and vacant land. The amusement area is generally concentrated between West 8th Street and Stillwell Avenue, south of Surf Avenue. The north side of Surf Avenue is predominantly occupied by 1- and 2-story commercial buildings, some of which contain retail furniture businesses.

To the west of the existing amusements, the majority of Coney East is vacant land. Among retail businesses, the original Nathan’s Famous restaurant and another fast-food restaurant are located in Coney East. A number of concessions, bars, and amusements are present along the Boardwalk between West 12th Street and West 15th Street. Aside from these uses, the remaining lots south of Surf Avenue and east of West 16th Street are vacant, occupied by vacant buildings, or used for vehicle storage.

Coney West

The predominant land uses in the Coney West subdistrict are vacant lots and surface parking facilities. The surface parking lot serves KeySpan Park and the Abe Stark Rink, an indoor ice-skating rink operated seasonally by DPR. Another vacant lot is used as a parking area for parking school buses and other vehicles. The only businesses located in the area are an office facility for the New York City Department of Homeless Services and the Sea Crest Health Care Center, an assisted living facility.

Coney North

The portions of the five blocks that make up the Coney North subdistrict are composed mainly of vacant land, commercial retail, and residential land uses. Most of the vacant land in this subdistrict is used for vehicle storage and parking. The Shore Theater, a 7-story theater building that is currently vacant and Gargiulo’s Restaurant and its associated parking are two prominent businesses located in this subdistrict. A few small retail storefronts are present along Stillwell Avenue close to the corner of Mermaid Avenue.

Mermaid Avenue

In general, Mermaid Avenue provides neighborhood shopping opportunities that typically serve Coney Island residents. This subdistrict is lined with 1-story retail buildings, 2- to 4-story residential buildings with ground floor retail, and vacant lots. The stores along this strip are focused towards local retail needs, and include groceries, beauty shops, tax preparers, and car services.

BUILDING CONDITION

Coney East

The structures in Coney East generally range from good to fair condition. The majority of buildings in Coney East are small 1- and 2-story commercial and entertainment buildings. Also located within the subdistrict are amusement rides. These rides include both monumental structures like the Wonder Wheel and small amusements. On Surf Avenue, 1-story brick and concrete retail buildings line the north side adjacent to the subway viaduct, and 1- and 2-story amusement-related buildings that include souvenir shops, concession stands, and amusement games and rides line the south side of the avenue.

The northern boundary of Coney East is formed by the elevated subway tracks. A multitude of large and bright signs placed on rides and entertainment and commercial buildings are a defining element of the amusement area. However, the two amusement parks and most of the amusement ride areas located in Coney East are enclosed with chain link and solid wood fencing.

There are several large vacant lots in this subdistrict that are enclosed by fencing, such as the vacant lot on the east side of Stillwell Avenue between Bowery and the boardwalk, and are also defining features of this subdistrict. In addition, a paved school bus storage yard is located on the east side of West 15th Street between Bowery and Riegelmann Boardwalk. This lot is enclosed by a solid wood fencing on all of its frontages. The numerous fences in the western portion of the subdistrict create a less active street life than that found in the amusement area.

Coney West

As described above, Coney West primarily contains parking lots and vacant land, but there are a few buildings in fairly good condition which include: the Abe Stark Rink; the New York City Department of Human Resources building, a plain, 3-story office building and; the Sea Crest Health Care Center which comprises two attached buildings of four and six-stories. Directly west of the KeySpan Park baseball stadium, there is a large paved parking lot for the baseball stadium and the Abe Stark Rink.

Coney North and Mermaid Avenue

Along Surf Avenue, the Coney North subdistrict is predominantly characterized by vacant lots and parking lots. These lots are generally enclosed with fences along Surf Avenue and the streets between West 15th and 20th Streets, and are generally in fair condition. Along Mermaid Avenue, there is a mix of ground-floor commercial store fronts and residential entrances. The block bounded by West 15th Street and Stillwell Avenue does not contain any vacant lots and is occupied with 1- and 2-story commercial buildings on Stillwell and Surf Avenues and a mix of 1- and 2-story commercial buildings and 2- to 4-story residential buildings with ground floor retail uses on Mermaid Avenue.

Economic Activity

Based on site visits conducted by AKRF, Inc. in November 2008, information provided by the New York City Department of Economic Development (NYCEDC), and business and employment data from NYSDOL, approximately 140 businesses are located within the rezoning area. Based on field surveys, interviews with on-site businesses conducted by AKRF, and Dun & Bradstreet data, these businesses employ an estimated 344 persons.

As detailed in **Table 3-23**, the rezoning area's businesses and services include: shopping and convenience good stores, various neighborhood service stores, eating and drinking establishments, auto-related service stores, and amusement park rides, games and gift/souvenir shops. Approximately 49 of the 140 businesses in the rezoning area are located within the amusement park area (35 percent of all businesses). These businesses employ an estimated 97 workers, accounting for 28 percent of all employment within the rezoning area. These businesses include amusement park rides (5.7 percent), games (21.4 percent), souvenir shops (7.1 percent) and vending booths (0.7 percent). About 26.4 percent of the businesses in the rezoning area (37 establishments) are eating and drinking places, which service residents and visitors to the amusement area. While, approximately 10 percent of the businesses are convenience good stores like delis and supermarkets, less than one percent of the rezoning area's businesses are auto-related establishments. It was also noted that approximately 66 storefronts in the rezoning area are vacant and boarded up.[1]

[1] Vacant lots and storefront estimates are based on AKRF, Inc. field surveys (November 2008)

Table 3-23
Coney Island Rezoning Area Establishments

Business Category	Number of Businesses	Percent of Businesses	Number of Jobs	Jobs as a Percentage of Total
Shopping Goods	18	12.9	45	13.1
Convenience Goods	14	10.0	35	10.2
Neighborhood Services	21	15.0	53	15.3
Eating and Drinking Places	37	26.4	111	32.3
Auto-Related Trade	1	0.7	3	0.9
Amusement Park Rides	8	5.7	16	4.7
Amusement Park Games	30	21.4	60	17.5
Amusement Park Souvenir Shops	10	7.1	20	5.8
Amusement Park Vending (photo booths, ice cream, coin-operated, etc.)	1	0.7	1	0.3
Total Businesses	**140**	**100**	**344**	**100**

Notes: Employment figures were derived from AKRF site visits. Shopping goods, convenience goods and neighborhood services are estimated to employ about 2.5 persons (2 full-time employees and 1 part-time employee). Eating and drinking places and auto related service stores are estimated to employ about 3 full time employees. Astroland amusement rides, games and souvenir shops are estimated to employ 2 full-time employees, while the coin-operated games and ice cream booths are estimated to employ 1 person per booth/machine.
Sources: AKRF, Inc., field surveys (November 2008)

Many of the remaining 91 non-amusement-park-related businesses are retail establishments located along Surf Avenue and Mermaid Avenue. Most of the retailers are neighborhood service, general merchandise, or convenience goods sectors and serve local consumers. The retail spaces in the rezoning area serve the nearby community and include a variety of delis, smaller grocery stores, several limited service restaurants, pharmacies, beauty salons, a few medical offices, a handful of family and children's clothing stores, and discount general merchandise stores.

Rezoning Area Visitation and Visitor Profile

Coney Island's emergence as a world-renowned, one-of-a-kind amusement destination dates back to the mid-19th century. Over the years, Coney Island has experienced the development and the destruction of some of the most well-known amusement parks in America, including Luna Park (1902-1946), Dreamland (1904-1911), and Steeplechase Park (1897-1964). In the 1930s, Coney Island contained 60 bathhouses, 13 carousels, 11 roller coasters, 200 restaurants and 500 small businesses ranging from newsstands to arcades and hotels.

Some of the historic amusement structures remain and are Coney Island icons. A number of these structures are New York City Landmarks (NYCLs), including the Cyclone roller coaster, the Wonder Wheel, the Parachute Jump, and Childs Restaurant. Despite its decline, Coney Island's amusement area continues to attract thousands of visitors per year, demonstrating its potential and its unique legacy as an urban beachfront amusement destination. The extensive beach, accessible by the subway and the Boardwalk remain unique affordable assets in the City.

The amusement area consists today of only a few blocks of largely seasonal amusement attractions. In the last few years, extensive real estate speculation has led to the closings of some of last remaining open amusements. The land on which Astroland sits has been sold and amusement uses that were located on projected development sites are now permanently closed; only a handful of amusement-related uses associated with Deno's Wonderwheel Park remain.

Tourists and visitors continue to play a very important role in the local economy of Coney Island. In August 2007, NYCEDC asked Audience Research & Analysis (ARA) to conduct a study of visitors to Coney Island amusement area. Seeking to capture visitors before the end of summer, ARA interviewed 521 visitors on September 1 and 2, 2007, Friday and Saturday.

Table 3-24 shows the origin of visitors to Coney Island. While approximately one-third of Coney Island visitors lived in Brooklyn, another one-third traveled to Coney Island from other boroughs in New York City. The geographic picture was rounded out with an additional one-third from outside the City (12 percent from metro area suburbs of Westchester, Rockland, Fairfield, Putnam, Nassau and Suffolk counties in New York, plus Fairfield in Connecticut and the northern counties of New Jersey); 15 percent from elsewhere in the United States including significant representation from the West Coast, Florida, and upstate New York; and 6 percent international, UK and Canada being the best represented other countries.

Table 3-24
Origin of Visitors to Coney Island Amusement Area

Geography	First-Time (percent)	Prior Visitors (percent)
Brooklyn	7.2	↑41.2
Queens	7.2	16.8
Manhattan	14.4	14.2
Bronx & Staten Island	3.2	5.9
Metro Suburbs	7.2	13.7
Other US	↑40.8	7.1
International	↑20	1.0
Source: Audience Research & Analysis, A Study of Visitors to Coney Island, Late Summer 2007		

Table 3-25 shows the various attractions visited in Coney Island. Most visitors came to Coney Island for the beach and boardwalk, and bought food at Nathan's, while 69 percent of all visitors were likely to visit at least one of the rides. Based on the survey, 31 percent of the current Coney Island visitors had been to at least one ride in the last 12 months. Overall, 35 percent visited the Aquarium on the day of the survey, while 16 percent had visited the Aquarium at least one other time in the past 12 months.[1]

Table 3-25
Visitor Attractions in Coney Island Amusement Area

Attractions Visited	Visiting Today (percent)	Excluding Today but in Past 12 Months (percent)
Beach and Boardwalk	89.8	27.1
Nathan's Famous restaurant	59.5	17.9
Astroland Amusement Park	48.4	17.3
The Cyclone	40.1	18.8
The Wonder Wheel	37.2	6.5
The New York Aquarium	35.1	15.5
Other rides and amusements	30.7	20
The Coney Island Circus Slideshow and Museum	20.3	8.6
The Brooklyn Cyclones (KeySpan Park)	10.7	11.7
Hippo Water Slide	9.4	14.4
Gargiulo's Restaurant	7.3	24.4
Sources: Audience Research & Analysis, A Study of Visitors to Coney Island, Late Summer 2007		

[1] About ten percent of the interviewing was conducted in front of the Aquarium entrance. Excluding those interviews, the incidence of going to the Aquarium among general Coney Island visitors was 33 percent.

As seen in **Table 3-26**, of the total non-local residents (residing outside zip code 11224) more than half traveled to Coney Island by subway. First-time visitors were even more likely to arrive by subway (68 percent). Among prior visitors, 49 percent rode the subway while 41 percent came by car.

Table 3-26
Visitor Mode of Transportation

Primary Means of Transportation	Percent
Subway	53.4
Car	38.0
MTA Bus	4.7
Bicycle	1.4
Walked	1.2
Charter or Tour Bus	0.6
Other	0.6
Sources: Audience Research & Analysis, A Study of Visitors to Coney Island, Late Summer 2007	

As seen in **Table 3-27**, 94 percent of the persons who took the visitation survey reported spending an average of $67 per party at Coney Island. For example, almost nine out of ten spent an average of about $32 for food while two-thirds spent more than $40 per party on rides and admission. More than half of all parties were comprised of adults, while families accounted for 45 percent of visiting parties. The incidence of teens visiting without adults was higher during the evening than afternoon hours, especially on a weekday.

Table 3-27
Visitor Spending Potential

Spending by Category	Percent	Amount (dollars)
Food	88.9	$32.37
Rides and games (admission)	64.5	$40.63
Merchandise	28.0	$32.11
Other (typically parking or Aquarium)	10.0	$33.08
Miscellaneous	94.0	$67.27
Sources: Audience Research & Analysis, A Study of Visitors to Coney Island, Late Summer 2007		

The mean age of persons visiting Coney Island was 40 years. However, approximately equal proportions of visitors were under 35 years (34 percent), between 35 and 44 years (29 percent), and over 44 years (37 percent) (see **Table 3-28**).

Table 3-28
Age of Visitors to Coney Island Amusement Area

Age	Percent
Under 18 years	3.9
18-24	8.9
25-34	21.9
35-44	28.5
45-54	22.9
55-64	9.7
65-74	3.1
75 and over	1.2
Mean age (years)	40.4
Sources: Audience Research & Analysis, A Study of Visitors to Coney Island, Late Summer 2007	

The mean and median household income of visitors was $85,000 and $65,000, respectively. However, approximately 59 percent of all visitors earned less than $75,000. Visitors that were New York City residents had a mean annual household income of $77,000 as compared to a mean household income of $101,000 for out-of-town visitors. Median household income of New York City visitors was $59,000 as compared to $78,000 for visitors to the City (see **Table 3-29**).

Table 3-29
Household Income of Visitors to Coney Island Amusement Area

Annual Household Income	Percent
Under $25,000	12.8
$25,000 to $49,000	23.5
$50,000 to $74,999	22.9
$75,000 to $99,999	14.5
$100,000 to $149,999	13.9
$150,000 to $199,999	6
$200,000 to $249,999	3
$250,000 and more	3.4
Mean Income	**$85,016**

Sources: Audience Research & Analysis, A Study of Visitors to Coney Island, Late Summer 2007

As seen in **Table 3-30**, almost six out of ten visitors (58 percent) had a college or higher degree, while one-fifth were only high school graduates.

Table 3-30
Visitors to Coney Island Amusement Area –Level of Education

Highest Level of Education	Percent
Some high school	3.2
High School graduate	16.8
Vocational school	3.4
Some college	18.3
College graduate	34.5
Graduate or professional school	23.9

Sources: Audience Research & Analysis, A Study of Visitors to Coney Island, Late Summer 2007

PROFILES OF BUSINESSES ON PROJECTED DEVELOPMENT SITES

Based on site visits conducted by AKRF, Inc. in November 2008, information provided by NYCEDC, and business and employment data from NYSDOL, in November 2008 an estimated 56 of the 140 rezoning area businesses were located on projected development sites and therefore could be displaced by the proposed actions if they were to be in operation by 2019. Based on field surveys and interviews with on-site businesses conducted by AKRF, the businesses on projected development sites employ an estimated 125 persons.

Amusement Park Businesses

Thirty-eight of the 56 businesses are within Astroland and Deno’s Wonderwheel amusement parks. The 38 businesses employ an estimated 76 workers, accounting for 22 percent of employment within the rezoning area and 0.9 percent of all employment in the study area. These establishments specialize in various recreation activities including amusement park rides and games (26 businesses); amusement park souvenir and game shops (4 businesses); and snack bars and fast food restaurants (8 businesses).

Non Amusement Park Businesses

The remaining 18 business located on projected development sites are not amusement-park related. They include limited service restaurants and bars (3 businesses), two supermarkets, three furniture stores, one dry cleaner, one deli, one check cashing service, one souvenir store, one toy store, one pharmacy, one taxi and limousine service, one medical office, one flower shop and one real estate insurance office. By industry sector, 12 of these businesses operate in retail trade with a total of 35 employees (9 percent of rezoning area jobs and 0.4 percent of all study area jobs). Four businesses are in the arts, entertainment, recreation, accommodation and food services industry and employ a total of 12 persons (3.5 percent of rezoning area jobs and less than one percent of all study area jobs). Only two businesses are in the finance, insurance, real estate and rental and leasing industry sector (less than one percent of rezoning area and study area jobs); they employ approximately 5 persons.

ECONOMIC VALUE OF BUSINESSES

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

As set forth in the *CEQR Technical Manual*, the consideration of a business or institution's economic value is based on the following criteria: (1) its products and services; (2) its location needs and whether those needs can be satisfied at other locations; and (3) the potential effects on businesses or on consumers of losing the displaced business or institution as a product or service. This section will discuss these criteria for both amusement and non-amusement businesses.

Amusement Park Businesses

As discussed earlier, the majority of amusement park businesses (79 percent) are in arts, entertainment, recreation, accommodation and food services industry, which include businesses like amusement rides, games, souvenir shops, vending booths and fast food restaurants.

Of the total of 38 amusement businesses, 26 are large amusement rides which can only be located in C7 zoning districts which are only designated in large open amusement parks. Since the C7 zoning district is only present in Coney Island in New York City, relocation options are not available for these 26 amusement businesses. The other 12 businesses which include souvenir shops and game shops could be easily relocated within most commercial districts in New York City. These businesses are not unique to the C7 Zoning district and can be relocated throughout Brooklyn, including in the surrounding study area as well as in several locations in Manhattan, Queens and the Bronx.

In sum, as of November 2008 there was a large cluster of amusement park uses within the rezoning area, the products and services these businesses provide are unique to the area and cannot be found in other neighborhoods in Brooklyn and New York City. As shown in the visitation survey, the Coney Island amusement uses draw visitors from all boroughs of New York City and the New York metropolitan region, and thus contribute to a great extent to the local economy. The customer base of many businesses and institutions in the surrounding study area also depends in part on the visitation generated by Coney Island amusement uses. In conclusion, the products and services provided by the amusement businesses classify them collectively as having substantial economic value to the City or the region.

Non Amusement Park Businesses

The 18 non amusement park businesses that could be displaced are primarily concentrated in two industry sectors: Retail trade; and Arts, entertainment, recreation, accommodation and food services. The 12 retail businesses provide products such as auto parts, clothes, and groceries. Other businesses include fast food restaurants, check cashing service, taxi and limousine service, dry cleaner and souvenir stores. These businesses provide products and services that are available elsewhere in Brooklyn and New York City and, in many cases, within the study area. Therefore, these businesses' products and services do not classify them as having substantial economic value. Additionally, the products and services offered by potentially displaced businesses in these sectors are not uniquely demanded by the Coney Island residential or businesses community, and it is therefore possible for these businesses to continue their operations elsewhere in the City.

BUSINESSES' CONTRIBUTION TO NEIGHBORHOOD CHARACTER

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 *CEQR Technical Manual* advises that an impact could occur if the potentially displaced businesses "define or contribute substantially to a defining element of neighborhood character," such as a marina or a shipyard. In this section, socioeconomic character is analyzed according to: (1) the types of employment (determined by NAICS economic sector) that would be displaced by the proposed actions relative to the types of employment that are prevalent in the study area, and (2) the number of jobs provided to local residents, defined as residents of the study area for the purposes of this analysis. Consideration of the fundamental change to neighborhood character within the rezoning area itself (separate from the study areas) is discussed in detail in Chapter 9, "Neighborhood Character."

Amusement Park Businesses

The amusement park businesses and their associated employment collectively contribute to a defining element of neighborhood character within the rezoning area itself, and historically have contributed to neighborhood character within the broader study area through the visitation and economic activities generated by these uses. However, the amusement uses' contribution to neighborhood character has been diminished by the recent closings of most amusements, and the economic sectors with the highest employment in the study area (those that most substantially define its character in an economic sense) are educational, health and social services, transportation and warehousing and utilities, and public administration.

Non Amusement Park Businesses

The 18 non-amusement park businesses, which employ an estimated 49 persons, represent less than one percent of the total employment of the study area. The employment in the non-amusement park businesses is primarily split between the retail trade and the arts, entertainment, recreation, accommodation and food services industry, which do not significantly define the neighborhood character of the study area. The economic sectors with the highest employment in the study area are educational, health and social services, transportation and warehousing and utilities, and public administration. Therefore, the non-amusement park businesses do not individually or collectively define neighborhood character in a socioeconomic sense.

THE FUTURE WITHOUT THE PROPOSED ACTIONS

This section describes the socioeconomic conditions that are expected in the future without the proposed actions, presenting population and development changes that are projected to occur in the study area through 2019. The analysis for the rezoning area is based on projections for development that would occur on projected development sites in the absence of the proposed actions, in addition to known development projects that are planned for the broader study area.

REZONING AREA

Currently the only known planned development within the rezoning area is the redevelopment of Steeplechase Plaza. NYCEDC and DPR are coordinating the development of this 2.2-acre public park directly south of KeySpan Park. The park will feature a performance green, skate park, and a carousel, among other public amenities.

Reasonable Worst-Case Development Scenario (RWCDS)

As described in Chapter 1, “Project Description,” the City has developed RWCDS to project rezoning area conditions in the future. The RWCDS assumes that development would occur on certain sites within the rezoning area that are underbuilt according to existing zoning. However, reflective of development trends of the past several decades, no development is expected on properties in the Coney East subdistrict.

Since November 2008 (the baseline for the existing conditions discussion above), Astroland has been permanently closed, and the 15 Astroland businesses inventoried in November 2008 are no longer operating. Field surveys conducted in December 2008 indicate that a substantial number of Astroland businesses were in the process of dismantling amusement rides; other businesses, such as food stands and amusement games, were loading items into trucks.

The remaining amusement park businesses associated with Deno’s Wonderwheel Park no longer constitute the critical mass of entertainment options that once occupied the area, and in the future without the proposed actions, it is likely that these amusement uses would not be economically viable and would close by 2019. However, in order to provide a more conservative assessment of direct displacement from the proposed actions, it is assumed that by 2019 all of the 23 amusement businesses in the Coney East subdistrict outside of Astroland would still be in operation.

The closing of Astroland businesses could lead to the displacement of some non-amusement park businesses that historically have relied on visitors to Astroland Amusement Park for their customer base. However, it is conservatively assumed that the 18 remaining non-amusement businesses in the area would remain under the No Build Scenario. Therefore, for purposes of analysis by 2019 there would be 41 remaining uses on projected development sites (23 amusement related business and 18 non-amusement related businesses) employing an estimated 95 persons.

It is anticipated that, in the future without the proposed actions, there would be approximately 627 residential units, 236,204 sf of commercial space, 71,946 sf of community facility space, 296,961 sf of vacant land and 123,779 sf of parking on projected development sites. This represents a net increase of approximately 612 residential units, 92,351 sf of commercial, 71,946 sf of community facility space, and a decrease of 15,825 sf of parking and 221,172 sf of vacant land compared to existing conditions.

The rezoning area currently contains an estimated 314 employees (accounting for the closing of Astroland businesses post November 2008). Absent the proposed actions, an estimated additional 373 employees will be added to the rezoning area by 2019. Therefore, the overall employment in the rezoning area will increase by approximately 119 percent over existing conditions.

½-MILE STUDY AREA

In the future without the proposed actions, it is anticipated that the ½-mile study area will experience modest growth in commercial, community facility, and residential uses. Much of this growth is associated with City initiatives intended to stimulate development in the area. HPD is disposing of property at 3119 - 3127 Surf Avenue to a private developer to construct 77 low-income residential units. Along with NYCEDC, HPD has selected a developer for the construction of up to 190 cooperative residential units, all of which would be affordable units; and a 40,000-sf YMCA community center on the block bounded by Mermaid Avenue, West 29th and 30th Streets, and Surf Avenue. HPD is also working with a non-profit developer to construct 12 owner-occupied, affordable residential units along West 20th Street between Neptune and Mermaid Avenues.

There are also several private projects in the study area that will be completed prior to the 2019 analysis year, including medium- and high-density apartment buildings. The “Sochi” is a 27-story building with 89 dwelling units under construction at 271 Sea Breeze Avenue. The “Ocean Dreams” development received approval from the City Planning Commission (CPC) in 2005 to construct 313 dwelling units between West 35th and West 37th Streets, south of Surf Avenue. A 7-story structure at 3080 West 1st Street will have 34 dwelling units and a ground floor medical space upon completion. It is anticipated that these developments would introduce approximately 733 dwelling units (approximately 1,789 residents),1 and 89,000 sf of community facility use. These developments would introduce approximately 388 new housing units and 54 new employees in addition to those that would be added in the rezoning area.

Overall, an estimated 427 employees will be added to the ½-mile study area. Based on the 2000 census, the ½-mile study area had a total of 8,780 employees. Therefore, by 2019 absent the proposed actions, the total employment in the ½-mile study area will increase by 5 percent over existing conditions.

THE FUTURE WITH THE PROPOSED ACTIONS

In the future with the proposed actions, the rezoning area is expected to be redeveloped with a mix of residential, commercial, and amusement uses, which would often be located in mixed-use buildings. The proposed actions, including zoning map and text amendments, would encourage a mix of commercial and residential development in the Mermaid Avenue, Coney North, and Coney West subdistricts (see **Table 3-31**), and amusement and associated commercial development in the Coney East subdistrict (see **Table 3-32**). As a result, the proposed actions would result in an increment over conditions in the future without the proposed actions of 2,408 dwelling units, 607 of which would be affordable, approximately 1,148,563 sf commercial space, and approximately 251,411 sf of amusement space.

[1] Based on s study area 2000 Census average household size of 2.44.

Table 3-31
Summary of Total and Net Incremental Development
Coney West, Coney North, and Mermaid Avenue Subdistricts
Future With the Proposed Actions (Build)

	Build				Net Increment				
Parcel	Commercial (SF)	Residential (SF)	Dwelling Units	Affordable Dwelling Units	Commercial (SF)	Residential (SF)	Dwelling Units	Affordable Dwelling Units	Public Parking Spaces
Coney West									
1	107,096	780,269	780	156	107,096	780,269	780	156	0
2	153,743	739,668	740	148	24,243	739,668	740	148	350
Coney North									
3	113,243	158,416	185	37	86,670	119,710	120	37	144
4	43,533	267,537	268	54	33,953	250,737	251	54	124
5	48,227	296,253	296	59	40,625	282,949	283	59	88
6	48,761	299,534	300	60	21,551	90,557	91	60	88
7	54,240	333,186	333	67	46,637	115,935	116	67	122
Mermaid Avenue									
8	7,509	35,667	36	7	0	7,509	8	7	0
9	6,400	30,400	30	6	0	6,400	6	6	0
10	14,206	67,480	67	13	0	14,206	14	13	0
Total	596,977	3,035,410	3,035	607	360,774	2,407,941	2,408	607	916

Notes: Summary of Total and Net Incremental Development for Coney East are presented in Table 3-14.
Source: DCP, August 2008.

Table 3-32
Summary of Total and Net Incremental Development
Coney East Subdistrict
Future With the Proposed Actions (Build)

	Build				Net Increment				
Parcel	Amusement	Hotel	Enhancing Uses*	Accessory Retail	Vacant Land (sf)	Amusement	Hotel	Enhancing Uses	Accessory Retail
11	45,965	288,800	10,000	0	-91,870	45,965	288,800	10,000	0
12	85,756	122,500	100,000	7,500	0	14,463	122,500	95,244	2,206
13	65,000	0	67,956	10,000	-54,983	65,000	0	67,956	10,000
14	59,544	0	70,000	15,000	-55,594	59,544	0	70,000	15,000
15	26,947	0	26,947	7,500	0	3,334	0	26,947	7,500
16	10,752	0	10,752	5,500	-10,386	10,752	0	10,752	5,500
17	7,764	0	7,765	5,500	0	7,764	0	7,765	5,500
18	22,250	0	22,250	7,500	0	22,250	0	22,250	-6,500
19	6,223	0	6,223	5,000		6,223	0	6,223	-2,970
20	16,116	0	16,116	7,000	-15,089	16,116	0	16,116	7,000
Total	**346,317**	**411,300**	**338,009**	**70,500**	**-227,922**	**251,411**	**411,300**	**333,253**	**43,236**

Notes: * Enhancing uses include tattoo parlors, art galleries, spa's and bath houses, studio's for art, music and theatre, eating drinking establishments, banquet halls, wedding chapels
Source: DCP, August 2008.

The proposed actions would increase the permitted density of residential uses in the Mermaid Avenue, Coney North, and Coney West subdistricts. No new uses would be introduced in these subdistricts as a result of the proposed actions. Under the proposed actions, amusement and supporting commercial uses in the Coney East subdistrict would be permitted at greater densities and new commercial uses would be added, compared to conditions in the future without the proposed actions.

REZONING AREA –REASONABLE WORST-CASE DEVELOPMENT SCENARIO (RWCDS)

DCP has identified 20 projected development sites that are considered most likely to be developed in the future with the proposed actions (see Chapter 1, "Project Description," for a detailed description of the RWCDS). As described in Chapter 1, it is anticipated that new development on those sites occurring as a result of the proposed actions would consist of 3,035 dwelling units, 607 of which would be affordable, 596,977 sf of general commercial space, 346,317 sf of amusement use, 411,300 sf of hotel space (468 rooms), 338,009 sf of enhancing uses, 70,500 sf of small scale accessory retail space, 1,316 accessory parking spaces, and 916 public parking spaces. The projected incremental change on these sites over the No Build scenario is: 2,408 dwelling units, 607 of which would be affordable; 360,774 sf of general commercial space; 251,411 sf of amusement uses; 411,300 sf of hotel space (468 rooms); 333,253 sf of enhancing uses; 43,236 sf of small scale accessory retail space; 1,316 accessory parking spaces, and 916 public parking spaces.

Coney East

Under the proposed actions, vacant or underutilized lots in the Coney East subdistrict would be redeveloped with commercial uses including enclosed amusements, hotels, and entertainment related retail uses such as movie theatres, large-scale entertainment venues, bowling alleys and restaurants. No residential development is proposed in the Coney East subdistrict. The amusement and entertainment retail uses would be ground floor uses, while the hotel uses would be predominantly confined to the upper floors and towers of the new buildings.

The proposed actions would generate an estimated 1,789 jobs[1] within the Coney East subdistrict Approximately 130 jobs would be in small scale retail, 503 jobs would be created in the new amusement area, 156 persons would be employed in the hotel, and approximately 1,000 persons would be employed in the new enhancing uses[2]. In the future with the proposed actions, there would be up to approximately 28 businesses employing an estimated 61 persons in the Coney East subdistrict that could be displaced by the proposed actions. Therefore, the proposed actions would result in a net gain of 1,728 jobs in the Coney East subdistrict.

Coney West

Under the proposed actions vacant and underutilized lots and surface parking lots in the Coney West subdistrict are anticipated to be redeveloped with mixed-use buildings including residential and commercial uses. Along the Riegelmann Boardwalk, restaurants and drinking establishments would be constructed. The remainder of the expected development would consist of mixed-use residential buildings with ground floor retail.

On the whole, as a result of the proposed actions a total of 260,839 sf of commercial space would be added to the Coney West subdistrict, which is a net increase of 131,339 sf of commercial space as compared to the future without the proposed actions. It is therefore estimated that the commercial component in the Coney West subdistrict would create an

[1] As in the future without the proposed action condition, it is assumed that the ratio of employees to floor area is 1 employee per 400 square feet of retail or institutional space, 1 per 250 square feet of office space, and 1 per 1,000 square feet of industrial space. For the purposes of this analysis, it is assumed that half of the added commercial space would be retail and half office.

[2] Enhancing uses include tattoo parlors, art galleries, spas and bath houses, studio's for art, music and theatre, eating drinking establishments, banquet halls and wedding chapels

estimated 783 jobs. Accounting for one potentially displaced business employing three persons in the Coney Island West subdistrict, the Coney West subdistrict will experience a net gain of 780 employees as a result of the proposed actions.

Coney North and Mermaid Avenue

Existing surface parking lots and vacant land, which comprise the majority of the subdistrict, and the few residential and commercial lots within Coney North, would be redeveloped as a result of the proposed actions. Similar to Coney West, mixed-use buildings occupied by ground floor retail with residential uses in the upper floors are anticipated in the Coney North subdistrict in the future with the proposed actions.

Similarly, vacant lots and underutilized mixed-use buildings are anticipated to be redeveloped within the Mermaid Avenue subdistrict. As a result of the proposed actions, all four of the block frontages on the south side of Mermaid Avenue between West 20th Street and West 15th Street would be developed with residential buildings with retail uses on the ground floor. According to the RWCDS, Mermaid Avenue would be developed with 133,547 sf of residential use (134 dwelling units, including 27 affordable units), 28,115 sf of commercial use, and 95 accessory parking spaces.

A total of 336,138 sf commercial space would be developed in the Coney North and Mermaid Avenue subdistrict, generating an estimated 1,008 new employees. The proposed actions would displace 11businesses and 25 employees located on projected development sites within this subdistrict. One business currently located on a projected development site—Gargiulio's—plans to expand in the future with or without the proposed actions, and therefore would not be displaced. The proposed actions would add 983 net new employees to the Coney North and Mermaid Avenue subdistrict.

Conclusion – Rezoning Area RWCDS

Overall, the proposed actions are expected to add 3,491 new jobs in the rezoning area. The new businesses in Coney Island could displace up to 40 businesses on the projected development sites, which employ an estimated 92 workers.

CONCLUSION – DETERMINING IMPACT SIGNIFICANCE

In sum, the products and services provided by the potentially displaced businesses classify them collectively as not having substantial economic value to the City or the region. Neither the products nor services of the non-amusement businesses that would be displaced by the proposed actions, classify them either individually or collectively as having substantial economic value to the City or the region as defined by CEQR. These businesses do not contribute to neighborhood character in a socioeconomic sense and can be relocated without great difficulty.

According to Chapter 3B, Section 331.2 of the *CEQR Technical Manual*, the identification of impacts for direct business displacement depends on whether the businesses are important to the City's economy, whether they can be relocated within the study area or City as a whole, and whether they are a defining element of neighborhood character. Currently, the area is experiencing a decline in the amount of amusement-related businesses, such that the study area, Borough and City's economy is losing a substantial portion of the consumer expenditures related to this industry. By recognizing the importance of amusement uses, the proposed actions intend to restore Coney Island as an amusement center while creating jobs and housing for local residents. The redevelopment of the Coney East, Coney West, Coney North, and Mermaid Avenue

Subdistricts would result in the transformation of underutilized land to a higher density mixed-use neighborhood with amusement, residential, retail, and open space uses. The proposed actions would maintain a heavy percentage of amusements with more retail to serve the new residential population and year-round visitors. It would enable businesses to function and serve year-round, thereby supporting a healthier neighborhood environment.

The residential, commercial and retail uses developed under the proposed actions would be complimentary uses in the study area, and would not adversely affect existing economic patterns. So while the potentially displaced uses have substantial economic value, the new uses under the proposed actions would retain and enhance that value for the study area and City. The resident, employee, and visitor populations generated by the proposed actions would become new customers at many of the existing retail businesses in the neighborhood. The businesses in the study areas most likely to benefit from this increased customer base would include establishments providing convenience goods such as food stores, delis and drugstores; eating and drinking establishments; and neighborhood services such as banks and dry cleaners. There are many such businesses along the Mermaid Avenue and Neptune Avenue of the study area.

Direct displacement resulting from the proposed actions would not result in significant adverse impacts to neighborhood character from a socioeconomic perspective. While economic activities in the rezoning area are defined in part by Coney Island amusement uses and visitation, there would continue to be amusement-related uses with the proposed actions. The area would continue to be characterized by a high level of local, New York City, and out-of-City visitation, with substantial activities and employment within the arts, entertainment, and recreation industry sector.

The existing C7 zoning district has been ineffective in stimulating the development necessary to create a successful amusement area. Currently, most of the amusement area is vacant. The proposed actions would provide better transitions to adjacent residences and local commercial opportunities than the existing vacant or underutilized properties. For these reasons, the proposed actions would not result in any significant adverse impacts related to direct business displacement.

F. CONCLUSIONS

By 2019, the proposed actions would not result in significant adverse impacts measured by the five socioeconomic areas of concern prescribed in the *CEQR Technical Manual*.

DIRECT RESIDENTIAL DISPLACEMENT

It is anticipated that all of the projected development sites with existing dwelling units would undergo redevelopment in the future without the proposed actions. Therefore, tenants on these sites would be displaced independent of the proposed actions. Given that the proposed actions would not directly displace any existing residential uses, there would be no significant adverse impacts resulting from direct displacement.

INDIRECT RESIDENTIAL DISPLACEMENT

The proposed actions would not result in significant adverse indirect residential displacement impacts. The proposed actions would increase the study area population by 5,876 residents (or 11.7 percent) over the future No Build scenario. Of that population, an estimated 4,394 residents would be living in market-rate units and would have higher incomes than most households within the study area. The proposed actions would therefore introduce a substantial new population, and that population is expected to have different socioeconomic characteristics compared with the overall character of the study area population.

According to the *CEQR Technical Manual*, if an action introduces a trend or accelerates 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. There is an existing trend towards increased rents in the study area that is expected to accelerate in the future without the proposed actions. The study area already has experienced a noteworthy increase in the number of new market-rate housing, and will receive substantially more irrespective of the proposed actions. Nevertheless, there is the potential for the proposed actions to accelerate the study area's trend toward increased rents, resulting in a greater amount of indirect residential displacement than expected in the future without the proposed actions.

The proposed actions, by potentially accelerating trends toward increased rents in the study area, could result in the indirect displacement of an at-risk population who would not be likely to find comparable replacement housing in the neighborhood. There are an estimated 1,497 study area residents in 487 units that are potentially vulnerable to displacement, if their rents were to increase. While the potential displacement would be an adverse impact, it would not be a significant adverse impact requiring mitigation as defined under CEQR. The potentially displaced residential population (1,497 residents) represents only 3.2 percent of the estimated 2007 population in the study area. A population loss of this magnitude would not substantially alter the demographic composition of the study area. Within the study area there are over 4,000 NYCHA owned dwelling units and approximately 780 other government-financed units that house low- to moderate-income families. These affordable units account for roughly a quarter of the entire housing stock in the study area (25.3 percent), and would maintain a wide range of incomes in the future with the proposed actions. In addition, the effects of potential displacement on study area demographics would be further offset by the proposed actions' introduction of approximately 607 new affordable housing units.

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The proposed actions would not result in significant adverse impacts due to direct business and institutional displacement. By 2019, the proposed actions could directly displace up to 40 businesses and approximately 92 employees associated with those businesses (there would be no direct institutional displacement). The potentially displaced businesses provide a variety of products and services, mostly within the arts, entertainment, recreation, accommodation and food services sector (26 businesses). This industry sector accounts for 55 of the 92 potentially displaced workers.

The proposed actions, by facilitating development of active uses on projected development sites, are intended toprovide better transitions to nearby residences and local commercial opportunities than the existing vacant or underutilized properties.

The detailed business displacement analysis finds that the amusement-related businesses located on projected development sites collectively have a unique and substantial economic value to the City as defined under CEQR, and they are a defining element of neighborhood character from a socioeconomic perspective. However, the existing C7 zoning district has been ineffective in stimulating the development necessary to create a successful amusement area. In November 2008, most of the amusement area consists of largely seasonal amusement attractions and vacant land. In the last few years, many of the amusements have closed, the land on which Astroland sits has been sold and, as of site observations conducted in December 2008, its amusement uses are now permanently closed—only a handful of adjacent amusement-related uses remain. The proposed actions, by facilitating new development of active uses on projected development sites, are intended to provide better transitions to nearby residences and local commercial opportunities than the existing vacant or underutilized properties. Economic activities in the rezoning area historically have been defined in part by Coney Island amusement uses and visitation; with the proposed actions there would be new, year-round amusement-related uses and a substantial net increase in employment. In the future with the proposed actions the area would continue to be characterized by a high level of local, New York City, and out-of-City visitation, with substantial activities and employment within the arts, entertainment, and recreation industry sector.

The detailed analysis also concludes that while the potentially displaced businesses contribute to the City's economy and therefore have economic value, neither the products nor services of the non-amusement businesses that would be displaced by the proposed actions contribute to neighborhood character in a socioeconomic sense, and can be relocated without great difficulty.

INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The proposed actions would not result in significant adverse impacts due to indirect business and institutional displacement. While the proposed actions could result in the indirect displacement of some existing retail establishments in the immediate vicinity of the rezoning area due to rent increases, their dislocation would not constitute a significant adverse impact under CEQR. The stores that would be vulnerable to indirect displacement would not meet the CEQR Technical Manual criteria for significant displacement impact—i.e., collectively, they are not of substantial economic value to the City; they can be relocated elsewhere in the City; they are not subject to regulations or publicly adopted plans to preserve, enhance, or protect them; and they are not a defining element of neighborhood character.

The proposed actions would not offset positive trends in the study area, impede efforts to attract investment, or create a climate for disinvestment. To the contrary, the proposed actions would introduce new populations and generate new employment opportunities, create affordable housing units and enhance public open space in order to meet the growing demands of the neighborhood.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

The proposed actions would not result in significant adverse impacts on a specific industry in Coney Island or within the broader New York City economy. The 40 businesses located on projected sites where displacement could occur—if the sites are redeveloped as assumed under the proposed actions—represent various industries, and their 92 employees account for only a small fraction (approximately 1.0 percent) of the total employment in the study area.

Amusement businesses in Coney Island accounted for a substantial portion of amusement-related uses in Brooklyn and the City, and historically have generated substantial economic activity. Based on the closings of most of the area's amusement-related businesses, the remaining businesses are not likely to remain viable in the future without the proposed actions. It is the intent of the proposed actions to retain as well as enhance amusement uses in the rezoning area, further attracting visitors from the Coney Island neighborhood and broader New York City metropolitan area. Thus, both new and enhanced establishments and attractions, as well as their associated employment, would add an additional consumer population that would contribute to the viability of the retail trade and arts, entertainment, recreation, accommodation and food services industries in the rezoning area. ✷