Chapter 3: Socioeconomic Conditions

As stated in the *CEQR Technical Manual*, a socioeconomic assessment should be conducted if an action may be reasonably expected to create substantial socioeconomic changes within the area affected by the proposed action that would not be expected in the future without the proposed action. Actions that would warrant a CEQR analysis include the following:

- The direct displacement of a residential population so that the socioeconomic profile of the neighborhood would be substantially altered.
- The displacement of substantial numbers of businesses or employees.
- The direct displacement of a business or institution that is unusually important because of its critical social or economic role in the community and that would have unusual difficulty in relocating successfully; because 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; because it serves a population uniquely dependant on its services in its present location; or because it is particularly important to neighborhood character.
- The introduction of substantial new development that is markedly different from existing uses, development, and activities within the neighborhood. Such an action could lead to indirect displacement of residential populations.

The proposed action requires construction and construction staging on the existing plant site and on an additional vacant, city-owned 5.5-acre parcel. Therefore, the proposed action would not involve the direct displacement of any residents or businesses. Moreover, the proposed action would not introduce a new land use that would be incompatible with the existing uses or activities within the neighborhood, and it is therefore not expected to result in the indirect displacement of any residential populations or businesses. There are a few isolated residences within the largely industrial area surrounding the plant and no increase in population or displacement within the study area would result from the project. Thus, it is concluded that the proposed action would not result in any potential significant adverse impact from the direct displacement of residents and businesses, and no further analysis is warranted.

Another potential socioeconomic effect could result from the cost to construct the project that would be borne by water and sewer ratepayers. These costs could lead to higher rents and operating costs, thereby potentially leading to indirect residential displacement. The estimated cost of the proposed action is $232 million.[1] The total estimated cost for the Hunts Point WPCP upgrades is $658 million. The city finances construction of wastewater infrastructure through the New York City Municipal Water Finance Authority (Authority) and/or the New York State Revolving Fund Program (SRF). The Authority is authorized to issue bonds to fund the construction of capital improvement projects. The SRF (based on U.S. Environmental Protection Agency and state matching grants) makes available to municipalities low cost financing for

[1] Costs were inflated to the midpoint of the construction period.

capital improvement projects. Based on assessments conducted for similar city infrastructure projects, the cost of the proposed action would result in a change in water and sewer rates of less than $0.50 per month per household, while the increase from all three phases of the upgrade would be less than $1.50 per month per household. This represents a very small percentage of rents and homeowner expenses and would not be expected to result in potential significant adverse displacement effects. For these reasons, no potential significant adverse socioeconomic impacts are expected from the proposed action and no further socioeconomic analysis is required.

The costs associated with construction of the four-digester scenario would be approximately $357 million (in 2005 dollars). Like with the proposed action, the change in water and sewer rates would be less than $0.50 per month per household, and no potential significant adverse socioeconomic impacts are expected from the four-digester scenario. ✷