

A. INTRODUCTION

The socioeconomic character of an area includes its population, housing, and economic activity. This chapter describes the socioeconomic changes that could result from the ~~Proposed Project~~previously proposed project and assesses whether such changes constitute significant adverse impacts as defined by City Environmental Quality Review (CEQR).¹

The 2020 *CEQR Technical Manual* guidelines recommend examination of five ways in which a project could alter socioeconomic conditions: (1) direct residential displacement; (2) direct business displacement; (3) indirect residential displacement; (4) indirect business displacement; and (5) adverse effects on specific industries. The ~~Proposed Project~~previously proposed project would not result in the direct displacement of any residents or businesses; the surface parking lot on the development site will be directly displaced irrespective of the project. However, the ~~Proposed Project~~previously proposed project would introduce more residential and commercial office space than as-of-right development on the site, warranting assessments of potential indirect displacement of residents and businesses as well as potential indirect effects on specific industries.

PRINCIPAL CONCLUSIONS

As detailed below, the ~~Proposed Project~~previously proposed project would not result in significant adverse socioeconomic impacts.

INDIRECT RESIDENTIAL DISPLACEMENT

A preliminary assessment of indirect residential displacement finds that the ~~Proposed Project~~previously proposed project would not result in significant adverse impacts due to indirect residential displacement. The ~~Proposed Project~~previously proposed project would not introduce a population that could substantively alter local real estate market conditions. The ~~Proposed Project~~previously proposed project's population would represent less than one percent of the future study area population, and the incomes of the project population would be similar to and less than the study area's existing average household income. The average household income in the study area is very high (\$182,313 in 2018); the ~~Proposed Project~~previously proposed project's market rate units would rent to households whose incomes are similar to this study area average. ~~For analysis purposes, it is conservatively assumed that~~The ~~Proposed Project~~previously proposed project would also introduce up to 79 affordable units that would be available to families with

¹ Since the publication of the DEIS, the Applicant has withdrawn the application for the previously proposed project and submitted a modified application (Application Number C 210438(A) ZSM; the "A-Application") with proposed changes to the project—this modified version of the project is described and considered in this FEIS as the Reduced Impact Alternative, as outlined in Chapter 18, "Alternatives."

incomes well below the study area average.² In the aggregate, the ~~Proposed Project~~previously proposed project would introduce an average household income below the average for the study area, and in providing permanently affordable housing, would serve to maintain a broader demographic in an area that has experienced increasing incomes and rents over time.

INDIRECT BUSINESS DISPLACEMENT

A preliminary assessment finds that the ~~Proposed Project~~previously proposed project would not result in significant adverse impacts due to indirect business displacement. While the ~~Proposed Project~~previously proposed project would introduce large residential, commercial office, and museum space increments, the study area already has well-established residential and commercial office markets, and commercial rents (retail and office) are already influenced by the presence of the existing South Street Seaport Museum and other study area attractions. The ~~Proposed Project~~previously proposed project would not add to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend or to alter existing patterns. The ~~Proposed Project~~previously proposed project would not directly or indirectly displace residents or businesses that directly support businesses in the study area or bring people to the area that form a customer base for local businesses. Rather, the ~~Proposed Project~~previously proposed project would introduce new residents and workers who would grow the customer base for local businesses, and would maintain and grow the existing South Street Seaport Museum use, which attracts visitors to the study area who form a customer base for local businesses.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

A preliminary assessment finds that the ~~Proposed Project~~previously proposed project would not adversely affect any specific industries. The ~~Proposed Project~~previously proposed project would not directly displace any businesses, and would not indirectly substantially reduce employment or have an impact on the economic viability in any specific industry or category of business.

B. METHODOLOGY

Under CEQR, socioeconomic changes are disclosed if they would affect land use patterns, low-income populations, the availability of goods and services, or economic investment in a way that changes the socioeconomic character of the area. In some cases, these changes may be substantial but not adverse. In other cases, these changes may be good for some groups but bad for others. The objective of the CEQR analysis is to disclose whether any changes created by the ~~Proposed Project~~previously proposed project would have a significant impact compared with what would happen in the No Action condition.

Changes to an area's socioeconomic character may occur directly or indirectly as a result of a project. Direct (or primary) displacement is defined by CEQR as the involuntary displacement of residents or businesses from a site or sites directly affected by a ~~Proposed Project~~previously proposed project. Examples of direct displacement include a proposed redevelopment of a

² For purposes of this socioeconomic assessment, it is assumed that 79 DUs would be affordable, ~~20 percent of the 394 DUs being evaluated under the Reasonable Worst Case Development Scenario (RWCDS) with incomes averaging 80 percent AMI.~~ This is less than the ~~25 percent~~99 affordable DUs used elsewhere in this environmental review because a lower amount of affordable housing with higher average incomes than some potential affordable schemes is more conservative for the purposes of the socioeconomic assessment. No affordable units would be provided in the No Action condition.

currently occupied parcel for a new use or structure, or a proposed easement or right-of-way that would take a portion of a parcel, rendering it unfit for its current use. In the case of the ~~Proposed Project~~previously proposed project, there are no residential dwelling units on the Development Site or the Museum Site, and the existing surface parking use would be directly displaced irrespective of the project (in the No Action condition the site would be developed as-of-right with a mixed-use building). There is no displacement created by the ~~Proposed Project~~previously proposed project compared with what would happen in the No Action condition, and no further assessment is warranted.

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

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

The analysis of the ~~Proposed Project~~previously proposed project is based on the Reasonable Worst-Case Development Scenario (RWCDS), which includes development anticipated to be completed by the 2026 analysis year. By the 2026 Build Year, the ~~Proposed Project~~previously proposed project would result in the incremental development of: 92 DUs on the Development Site, including 79 incremental affordable DUs; 271,400 gross square feet (gsf) of commercial office space; no net change in community facility space; and a net decrease of 10,030 gsf of retail space; ~~and a net increase of 86,691 gsf of museum space.~~^{3,4}

The following sections describe how the ~~Proposed Project~~previously proposed project is analyzed.

DETERMINING WHETHER A SOCIOECONOMIC ASSESSMENT IS APPROPRIATE

This section presents the *CEQR Technical Manual* threshold circumstances that can lead to socioeconomic changes warranting further analysis, and compares those circumstances (numbered in bold italics below) to the ~~Proposed Project~~previously proposed project's RWCDS.

³ ~~As noted earlier, for the purposes of this socioeconomic assessment, 20 percent of the Proposed Project's 394 DUs will be conservatively assumed to be affordable (79 DUs) compared to the 25 percent (99 DUs) used in other sections of environmental review. As noted in the ULURP Application, under the previously proposed project the building at 250 Water Street would designate 20 percent of the total residential floor area—as "affordable" DUs at an average income threshold of 40 percent of area median income (i.e., comparable to the "Deep Affordability Option" for developments subject to Mandatory Inclusionary Housing). This socioeconomic assessment, however, assumes a higher area median income for fewer affordable units in order to provide for a conservative environmental review.~~

⁴ ~~As noted in the ULURP Application, under the Proposed Project the building at 250 Water Street would designate a total of approximately 70 DUs—20 percent of the total floor area—as "affordable" DUs at an average income threshold of 40 percent of area median income (i.e., comparable to the "Deep Affordability Option" for developments subject to Mandatory Inclusionary Housing)."~~

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

Neither the Development Site nor the Museum Site currently contain residential DUs. Therefore, the ~~Proposed Project~~previously proposed project would not directly displace a residential population, and no further assessment of this concern is warranted.

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

In the future without the ~~Proposed Project~~previously proposed project, the existing surface parking use on the Development Site would be directly displaced to accommodate as-of-right redevelopment of the site. Because the displacement of this use would occur irrespective of the project, no further assessment of this issue is warranted. In addition, the displaced parking use does not meet the above-described CEQR criteria for further assessment.

3. Indirect Residential Displacement due to Increased Rents: Would the ~~Proposed Project~~previously proposed project result in substantial new development that is markedly different from existing uses, development, and activities within the neighborhood? Residential development of 200 units or less or commercial development of 200,000 sf or less would typically not result in significant socioeconomic impacts.

The ~~Proposed Project~~previously proposed project would result in the incremental development of 92 DUs, which is below the CEQR suggested analysis threshold of 200 units. However, to provide for a more conservative analysis and in keeping with the published Draft Scope of Work, a preliminary assessment of potential indirect residential displacement was conducted (see Section C, “Preliminary Assessment”).

4. Indirect Business Displacement due to increased rents or market saturation: Would the ~~Proposed Project~~previously proposed project result in substantial new development that is markedly different from existing uses, development, and activities within the neighborhood; or would the project add to, or create, a retail concentration that may draw a substantial amount of sales from existing businesses within the study area to the extent that certain categories of business close and vacancies in the area increase, thus resulting in a potential for disinvestment on local retail streets? Projects resulting in less than 200,000 sf of retail on a single development site would not typically result in socioeconomic impacts.

The *CEQR Technical Manual* suggests that commercial development of 200,000 sf or less would typically not result in significant indirect business displacement due to increased rents. The ~~Proposed Project~~previously proposed project’s commercial office component exceeds this 200,000-sf threshold. As such, an analysis of potential indirect business displacement due to increased rents is warranted (see Section C, “Preliminary Assessment”).

With respect to retail market saturation, the ~~Proposed Project~~previously proposed project would introduce less retail space than anticipated in No Action condition, and the amount would be well below the 200,000-sf threshold for assessment. Based on *CEQR Technical Manual* guidelines, an

assessment of potential business displacement due to retail market saturation (i.e., competition) is not warranted.

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

As noted in the responses to screening question 4 above, the ~~Proposed Project~~previously proposed project warrants further assessment of potential indirect business displacement. As such, an assessment is warranted in order to understand whether a substantial number of residents or workers depend on the goods or services provided by potentially affected businesses. Section C, “Preliminary Assessment,” addresses whether the ~~Proposed Project~~previously proposed project could significantly affect business conditions in any industry or category of business within or outside the study area, or whether they could substantially reduce employment or impair viability in a specific industry or category of business.

Based on the above screening assessment, the ~~Proposed Project~~previously proposed project warrants further assessment of indirect residential displacement, indirect business displacement due to increased rents, and adverse effects on specific industries.

ANALYSIS FORMAT

Following *CEQR Technical Manual* guidelines, the socioeconomic analysis began with a screening assessment that determines the need for preliminary assessment. As described above, for two of the five areas of concern—direct residential displacement and direct business displacement—the potential effects of the ~~Proposed Project~~previously proposed project did not warrant a preliminary assessment. For the three other areas of socioeconomic concern—indirect residential displacement, indirect business displacement, and adverse effects on specific industries—preliminary assessments were conducted.

Preliminary assessments were conducted to learn enough about the potential effects of the ~~Proposed Project~~previously proposed project to either rule out the possibility of significant adverse impacts or determine that a more detailed analysis is required to fully determine the extent of the impacts. In the case of the ~~Proposed Project~~previously proposed project, preliminary assessments were sufficient to determine that the ~~Proposed Project~~previously proposed project would not result in significant adverse socioeconomic impacts.

STUDY AREA DEFINITION

Socioeconomic study area boundaries depend on a project’s size and characteristics. The *CEQR Technical Manual* suggests that a ¼-mile socioeconomic study area is appropriate so long as the project produces a small (below 5 percent) increase to the population within the approximately ¼-mile area. The ~~Proposed Project~~previously proposed project would introduce 92 incremental dwelling units over the amount anticipated in the future without the ~~Proposed Project~~previously proposed project. Using the average household size for Manhattan Community District 1 (1.91 persons per household), the projected 176 residents would represent less than a one percent increase in study area population. Therefore, a ¼-mile study area is appropriate.

Because socioeconomic analysis depends on demographic data, *CEQR Technical Manual* guidelines recommend adjusting the study area boundary to conform to the census tract delineation

that most closely approximates the desired radius (in this case, a ¼-mile radius surrounding the project site). The census tracts that constitute the “socioeconomic study area,” or “study area,” are shown in **Figure 3-1** and include Census Tracts 7, 15.01, and 15.02.⁵ The socioeconomic study area is located within Manhattan Community District 1 and is roughly bounded by the Brooklyn Bridge Promenade to the north, the East River to the East, Old Slip/William Street to the south, and Broadway to the west.

DATA SOURCES

Information used in the analysis of indirect residential displacement was gathered from the U.S. Census Bureau’s 2006–2010 and 2014–2018 American Community Survey (ACS) 5-Year Estimates. The New York City Department of City Planning (DCP) NYC Population FactFinder online mapping tool was used to provide comparative census data between geographies and to determine the margin of error (MOE) for single variable ACS estimates presented for the study area.⁶ Census data were gathered on population, housing, and income. Data on residential market asking rents within the study area were collected from the real estate listings website StreetEasy.com. Estimates of current and future No Action condition socioeconomic study area populations are based on data from the DCP Housing Database.⁷

The assessments of business and potential effects on specific industries consider business and employment trends in the study area, compared with those in New York County (Manhattan) and New York City. The data for the study area that were used to estimate the total number and types of jobs were based on U.S. Census Longitudinal Employer-Household Dynamics (LEHD) data available through OnTheMap.⁸ Building square footage data was obtained from NYC’s MapPLUTO. These data were supplemented by online commercial market data and field surveys conducted by AKRF staff during the fall and winter of 2020/2021.

C. PRELIMINARY ASSESSMENT

INDIRECT RESIDENTIAL DISPLACEMENT

As described in the *CEQR Technical Manual*, indirect residential displacement usually occurs when a project results in a substantial new development that is markedly different from existing uses and activities within a neighborhood. This can contribute to increased property values and increased rents, which can make it difficult for some existing residents to remain in their homes.

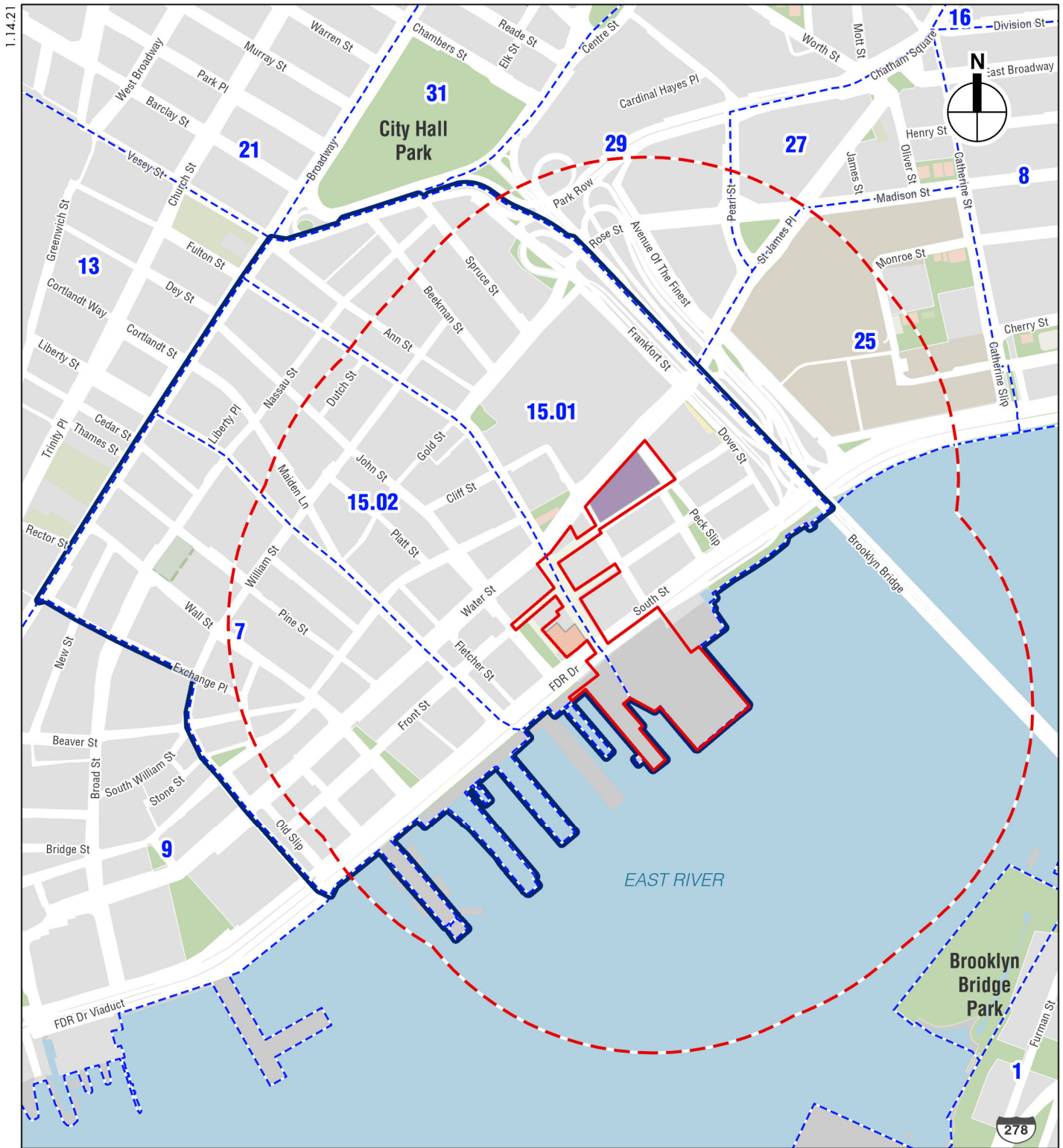
Generally, an indirect residential displacement analysis is conducted only in cases in which the potential impact may be experienced by renters living in privately held DUs unprotected by rent

⁵ A portion of the Two Bridges neighborhood (Census Tract 25) north of the Brooklyn Bridge is within ¼-mile of the Project Area, but has been excluded from the socioeconomic study area, as this area consists of a portion of the New York City Housing Authority (NYCHA) Housing Alfred E. Smith Houses that does not include residents or businesses subject to indirect displacement due to rent increases.

⁶ MOEs describe the precision of an estimate within a 90-percent confidence interval and provide an idea of how much variability (i.e., sampling error) is associated with the estimate. The larger the MOE relative to the size of the estimate, the greater potential for variability within the data. The MOE is partially dependent on the sample size, because larger sample sizes result in a greater amount of information that more closely approximates the population.

⁷ <https://www1.nyc.gov/site/planning/data-maps/open-data/dwn-housing-database.page>

⁸ <https://onthemap.ces.census.gov/>



- Project Area
- 1/4-mile perimeter
- Development Site
- Museum Site
- Socioeconomic Study Area
- 15.1 Census Tract Boundary

250 WATER STREET

Socioeconomic Study Area
Figure 3-1

control, rent stabilization, or other government regulations restricting rents, and whose incomes or poverty status indicates that they may not withstand substantial rent increases. Residents who are homeowners, or who are renters living in rent-protected DUs, are not considered potentially vulnerable populations under CEQR.

The assessment begins with a presentation of existing conditions and trends, followed by the *CEQR Technical Manual's* preliminary assessment criteria.

EXISTING CONDITIONS

Based on the 2014–2018 ACS 5-Year Estimates data, in 2018 the study area contained 23,728 residents and 11,403 households.⁹ Approximately 88 percent of study area dwelling units are in multifamily buildings with 50 or more units, and approximately 71 percent of units were renter-occupied, which is similar to the proportions for Manhattan (76 percent) and New York City (67 percent).

This analysis uses average and median household incomes to describe the household income characteristics of the study area population. As reported in the 2014–2018 ACS and shown in **Table 3-1**, in 2018 the average annual household income within the study area was \$182,313 (in 2018 dollars) which was approximately \$30,000 higher than the average annual household income of Manhattan (\$152,002) and nearly double the average for New York City (\$97,647). Since 2010, the study area’s average household income has increased.¹⁰ Over the same time period, the average household incomes increased in Manhattan (by 7.4 percent) and in New York City (by 8.6 percent).

**Table 3-1
Average Annual Household Income (2006–2010, 2014–2018 ACS)**

Area	2006–2010 ACS ¹	2014–2018 ACS ¹	Change or Direction of Change
Socioeconomic Study Area	\$169,506	\$182,313	Increase ²
Manhattan	\$141,525	\$152,002	7.4%
New York City	\$89,907	\$97,647	8.6%

Notes:
¹ All dollar figures have been adjusted to 2018 dollars based on the U.S. Department of Labor Consumer Price Index (via Social Explorer and DCP’s FactFinder).
² The margin of error (MOE) of the difference is greater than one third of the difference, so the percentage change cannot be estimated with confidence and only the direction of the change can be reported (i.e., Increase/Decrease).

Sources:
 U.S. Census Bureau, 2006–2010 and 2014–2018 ACS 5-Year Estimates; DCP’s NYC Population Factfinder; Social Explorer.

As average income can be heavily influenced by outliers (both high and low) within the data, the median household income is also presented. As shown in **Table 3-2**, in 2018 the median annual household income within the socioeconomic study area was \$141,569. This was well in excess of the median household income for Manhattan (\$82,459), and for New York City (\$60,762). The

⁹ Based on recent housing development identified through the DCP Housing Database (accessed in April 2021), the study area currently has an estimated 28,822 residents and 15,073 households.

¹⁰ The study area’s ACS data is not robust enough to predict with statistical confidence the percentage change in income since 2010.

study area’s median income has increased since 2010, as has the median incomes for Manhattan and New York City.

Table 3-2
Median Annual Household Income (2006–2010, 2014–2018 ACS)

Area	2006–2010 ACS ¹	2014–2018 ACS ¹	Change or Direction of Change
Socioeconomic Study Area	\$110,205	\$141,569	Increase ²
Manhattan	\$74,988	\$82,459	10.0%
New York City	\$58,038	\$60,762	4.7%

Notes:
¹ All dollar figures have been adjusted to 2018 dollars based on the U.S. Department of Labor Consumer Price Index (via Social Explorer and DCP’s FactFinder).
² The margin of error (MOE) of the difference is greater than one third of the difference, so the percentage change cannot be estimated with confidence and only the direction of the change can be reported (i.e., Increase/Decrease).
Sources:
 U.S. Census Bureau, 2006–2010 and 2014–2018 ACS 5-Year Estimates; DCP’s NYC Population Factfinder; Social Explorer.

As shown in **Table 3-3**, within the socioeconomic study area, median gross rent in 2018 was approximately \$3,151, which was over \$1,000 greater than the median gross rent in Manhattan (\$1,682) and New York City as a whole (\$1,396). Since 2010 median gross rents have increased in Manhattan (by approximately 18.1 percent) and in New York City (by 12.9 percent).

Table 3-3
Average and Median Gross Rent

Area	2006–2010 ACS		2014–2018 ACS		Change or Percent Change	
	Average ¹	Median ¹	Average ¹	Median ¹	Average	Median
Socioeconomic Study Area	\$2,657	\$2,310	\$2,888	\$3,151	-- ²	-- ²
Manhattan	\$1,641	\$1,424	\$1,803	\$1,682	9.9%	18.1%
New York City	\$1,321	\$1,236	\$1,470	\$1,396	11.3%	12.9%

Notes:
¹ All dollar figures have been adjusted to 2018 dollars based on the U.S. Department of Labor Consumer Price Index (via Social Explorer and DCP’s FactFinder).
² The directionality of change and percent change cannot be reported with statistical confidence.
Sources:
 U.S. Census Bureau, 2006–2010 and 2014–2018 ACS 5-Year Estimates; DCP’s NYC Population Factfinder; Social Explorer.

U.S. Census data paints a general picture about whether housing costs are changing in a neighborhood, but the data does not provide specific rent information according to regulation status or unit size. Market comparables were therefore used to provide a fuller understanding of where the study area market is today. **Table 3-4** summarizes online listings for apartments in the study area from StreetEasy.com. The median monthly asking rents in the study area ranged from \$2,542 for studio units to \$5,490 for three-bedroom units. Based on historic asking rent data from

StreetEasy.com, median asking rents in the Financial District¹¹ has increased by approximately eight percent since 2010.

**Table 3-4
Monthly Rental Asking Rates within the Socioeconomic Study Area**

Unit Type	Number of Listings	Median Monthly Asking Rent
Studio	82	\$2,542
One Bedroom	69	\$3,495
Two Bedroom	36	\$4,498
Three+ Bedroom	13	\$5,490

Source: StreetEasy.com, accessed December 2020

FUTURE WITHOUT THE ~~PROPOSED PROJECT~~ PREVIOUSLY PROPOSED PROJECT

Development Site

The No Action condition describes a future baseline condition to which changes that are expected to result from the ~~Proposed Project~~ previously proposed project are compared (the No Action condition). As detailed in Chapter 1, “Project Description,” in the No Action condition, the development site is anticipated to be redeveloped with a new as-of-right building that would not require any discretionary approvals requiring environmental review. Development under the No Action condition would be a 120-foot tall, approximately 327,400-gsf building containing approximately 302,670 gsf of residential uses (approximately 302 DU, all market-rate), 19,730 gsf of retail uses, 5,000 gsf of community facility uses, and 65 parking spaces.

Museum Site

While the future of the South Street Seaport Museum remains uncertain, for purposes of analysis, it is conservatively assumed that absent the ~~Proposed Project~~ previously proposed project, the museum would close permanently. As such, there would be no renovated spaces for the museum, nor would there be a potential expansion to the museum.

Study Area

Within the broader socioeconomic study area, 32 projects are anticipated to be completed by the 2026 analysis year. These include residential, mixed residential and commercial, hotel, and open space projects.

CEQR PRELIMINARY ASSESSMENT CRITERIA

The following assessment of the future with the ~~Proposed Project~~ previously proposed project utilizes the *CEQR Technical Manual*’s three-step preliminary assessment criteria (in bold italics).

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

¹¹ Median asking rent trends available from StreetEasy.com are for a Financial District market area, which is roughly bounded by Vesey Street and the Brooklyn Bridge Promenade to the north, the East River to the east, the Battery and West Street to the south and east. The percent increase cited is adjusted for inflation.

The ~~Proposed Project~~ previously proposed project would introduce a combination of market rate and permanently affordable residential units. It is therefore necessary to estimate incomes for the residents of both housing types.

Incomes of Market-Rate Unit Households

As a new housing product, the ~~Proposed Project~~ previously proposed project's incremental market-rate DUs would be expected to rent on the higher end of the range of market-rate asking rents in the study area. For purposes of analysis, the upper quartile of StreetEasy listings was utilized to estimate market-rate renters' incomes, and it was assumed that households would pay 30 percent of their income toward rent.¹² The resulting projected household incomes, shown in **Table 3-5**, range from approximately \$116,000 for households residing in studio units to over \$300,000 for households in three-bedroom units.

The overall average income for market-rate households would depend on the unit mixes on the development site, which is not currently known. For purposes of analysis a weighted average was calculated based on the proportional unit mix found within the study area's rental housing stock, resulting in an average household income of \$176,265 for households in market rate units, which is slightly below the study area's average household income in 2018 (\$182,313).

Table 3-5
Annual Household Income Projections for the
Proposed Actions' Market-Rate DUs

Unit Type	Projected Monthly Rent	Projected Annual Household Income
Studio	\$2,893	\$115,700
One Bedroom	\$4,125	\$165,000
Two Bedroom	\$5,844	\$233,740
Three Bedroom	\$7,800	\$312,000
Weighted Average Total¹	\$4,407	\$176,265
Note:		
¹ Total average monthly rent is a weighted total based on the proportional unit mix for rental DUs in the study area.		
Source:		
AKRF, Inc. based calculations on rental data collected from StreetEasy.com, accessed December 2020.		

Incomes for Permanently Affordable Unit Households

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

¹² Based on U.S. Housing and Urban Development (HUD) affordability guidance where rent is estimated to be approximately 30 percent of total income.

Table 3-6
2020 New York City Area Median Income (AMI)

Family Size	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	100% of AMI	120% of AMI	130% of AMI	165% of AMI
1	\$23,880	\$31,840	\$39,800	\$47,760	\$63,680	\$79,600	\$95,520	\$103,480	\$131,340
2	\$27,300	\$36,400	\$45,500	\$54,600	\$72,800	\$91,000	\$109,200	\$118,300	\$150,150
3	\$30,720	\$40,960	\$51,200	\$61,440	\$81,920	\$102,400	\$122,880	\$133,120	\$168,960
4	\$34,110	\$45,480	\$56,850	\$68,220	\$90,960	\$113,700	\$136,440	\$147,810	\$187,605
5	\$36,840	\$49,120	\$61,400	\$73,680	\$98,240	\$122,800	\$147,360	\$159,640	\$202,620

Source: U.S. Department of Housing and Urban Development (HUD)

Table 3-7
2020 New York City Affordable Monthly Rents by Area Median Income (AMI)

Unit Size	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	100% of AMI	120% of AMI	130% of AMI	165% of AMI
Studio	\$397	\$567	\$738	\$909	\$1,250	\$1,643	\$1,985	\$2,155	\$2,753
1 BR	\$503	\$717	\$930	\$1,143	\$1,570	\$2,060	\$2,487	\$2,700	\$3,446
2 BR	\$598	\$854	\$1,110	\$1,366	\$1,878	\$2,467	\$2,979	\$3,235	\$4,131
3 BR	\$683	\$978	\$1,274	\$1,570	\$2,161	\$2,841	\$3,432	\$3,728	\$4,762

Notes:
Assumes tenant pays electricity. Rents are approximate and have been calculated at 30 percent of annual gross income of the target AMI. For low-income bands, rents are based on 30 percent, 37 percent, 47 percent, 57 percent, and 77 percent of AMI.

Source: HUD

Although the Applicant has proposed to designate 20 percent of the residential floor area provide affordable housing to for households with incomes averaging 40 percent of AMI (i.e., comparable to the “Deep Affordability Option” for developments subject to Mandatory Inclusionary Housing), the level of affordability that would be required and specific number of units is not known at this time. Accordingly, for purposes of a conservative analysis, the RWCDS for socioeconomic assessment assumes that 20 percent of the total DUs (or 79 DUs) would be permanently affordable units that would be available to households with incomes averaging 80 percent of AMI.¹³ Assuming an average household size of 1.91 persons per unit, one could expect the incomes of households in the affordable units to average between \$63,680 and \$72,800, which is well below the study area’s average household income in 2018 (\$182,313).

Average Household Income for the ~~Proposed Project~~ Previously Proposed Project

Table 3-8 shows the projected average household income for the residents introduced by the ~~Proposed Project~~ previously proposed project increment, when considering both the affordable and market-rate units. To derive this estimate, the average income of market-rate units was multiplied by the total number of incremental market rate units, and the average income of affordable units was multiplied by the total number of affordable units. These two numbers were then added together to determine the aggregate income for all the units, and the result was divided by the total

¹³ As noted above, this socioeconomic analysis. The RWCDS conservatively assumes that the previously proposed project would contain fewer affordable units for households with higher income levels. No affordable units would be provided in the No Action condition.

number of incremental units to determine an estimated average income for all incremental units of \$86,637.

Table 3-8
Weighted Average Income of Incremental With Action Population

	Income	Units	Aggregate Income (Income x Units)
Market rate	\$176,265	13	\$2,291,446
Affordable ²⁺	\$71,888	79	\$5,679,152
Total Increment		92	\$7,970,598
Weighted Average Income of the With Action Population (Aggregate Income ÷ Total Units)			\$86,637
Notes:			
¹ These numbers might not be exact, due to rounding. figures are rounded.			
²⁺ Affordable income is based on a weighted average of 80 percent AMI for one- and two-person families, assuming an average household size of 1.91 persons per unit.			

Based on the above-described analysis, the ~~Proposed Project~~ previously proposed project would be expected to introduce permanently affordable units occupied by households who have an average income that is lower than the average for the existing study area population, while the project’s market-rate units would introduce residents who have a similar average household income than the existing study area population. In the aggregate, the ~~Proposed Project~~ previously proposed project’s projected average household income of \$86,637 would be well below the average for the existing study area (\$182,313). Based on *CEQR Technical Manual* guidelines, if the expected average incomes of the new population would not exceed the average incomes of the study area populations, Steps 2 and 3 of the preliminary assessment are not needed.

The ~~Proposed Project~~ previously proposed project would introduce permanently affordable DUs available to households with incomes well below the study area average, and would therefore serve to maintain a more diverse mix of incomes within the study area. In addition, the ~~Proposed Project~~ previously proposed project would add permanently affordable housing in an area with an established trend toward increased rents. Overall, the ~~Proposed Project~~ previously proposed project would not result in significant adverse impacts due to indirect residential displacement, and no further analysis is warranted.

INDIRECT BUSINESS DISPLACEMENT

Similar to the analysis of indirect residential displacement, the preliminary assessment of indirect business displacement focuses on whether the ~~Proposed Project~~ previously proposed project could increase property values and rents within the study area, making it difficult for some categories of businesses to remain in the area. The assessment begins with a presentation of existing employment and business conditions and trends, followed by the *CEQR Technical Manual*’s preliminary assessment criteria.

EXISTING CONDITIONS

The ¼-mile study area includes the South Street Seaport neighborhood, which is generally located to the south of the Brooklyn Bridge, southeast of Pearl and Water Streets, and to the north of Maiden Lane, as well as portions of the Financial District and Civic Center neighborhoods. As shown in **Table 3-9**, based on data from 2018, there were an estimated 108,388 employees

working in the study area. These jobs represented approximately 4.3 percent of Manhattan’s total employment, and 2.4 percent of the employment in all of New York City.

**Table 3-9
Estimated Employees in ¼-Mile Study Area, Manhattan, and New York City**

Type of Job by NAICS Category	Study Area		Manhattan		New York City	
	Employees	Percent	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing and Hunting	0	0.0%	202	0.0%	392	0.0%
Mining, Quarrying, and Oil and Gas Extraction	6	0.0%	16	0.0%	47	0.0%
Utilities	2	0.0%	6,699	0.3%	17,897	0.4%
Construction	1,588	1.5%	44,481	1.8%	156,540	3.5%
Manufacturing	102	0.1%	22,579	0.9%	69,968	1.6%
Wholesale Trade	898	0.8%	82,923	3.3%	145,569	3.2%
Retail Trade	1,812	1.7%	158,595	6.3%	353,993	7.9%
Transportation and Warehousing	332	0.3%	20,073	0.8%	184,047	4.1%
Information	3,485	3.2%	206,571	8.2%	232,129	5.2%
Finance and Insurance	27,334	25.2%	293,133	11.7%	328,890	7.3%
Real Estate and Rental and Leasing	2,349	2.2%	89,136	3.6%	139,085	3.1%
Professional, Scientific, and Technical Services	20,337	18.8%	365,806	14.6%	419,115	9.3%
Management of Companies and Enterprises	3,294	3.0%	68,538	2.7%	76,217	1.7%
Administration and Support, Waste Management and Remediation	8,408	7.8%	189,584	7.6%	275,137	6.1%
Educational Services	3,936	3.6%	168,423	6.7%	392,542	8.7%
Health Care and Social Assistance	11,853	10.9%	268,873	10.7%	812,601	18.1%
Arts, Entertainment, and Recreation	1,032	1.0%	74,821	3.0%	97,453	2.2%
Accommodation and Food Services	4,774	4.4%	235,459	9.4%	367,026	8.2%
Other Services (excluding Public Administration)	3,659	3.4%	108,188	4.3%	180,283	4.0%
Public Administration	13,187	12.2%	103,949	4.1%	250,958	5.6%
Total	108,388	100%	2,508,049	100%	4,499,889	100%

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics 2018.

The Finance and Insurance sector accounts for the largest share of study area employment (25.2 percent), followed by the Professional, Scientific, and Technical Services sector (18.8 percent). Much of the finance and office-based employment is located within the Financial District northwest and west of the Project Area. The inland area to the south of Fulton Street (west of the Project Area) contains the traditional high-density center of the Financial District with large office towers, generally along Water Street, South Street, and further inland. As of 4Q 2019 the Financial District included approximately 42.6 million square feet of commercial office space, of which approximately 10.6 percent was available for lease; the Manhattan average was 10.0 percent. The average asking rent for Class A office space was approximately \$59 per square foot (psf), less than the average for Downton (\$65 psf) and Manhattan as a whole (\$84 psf).¹⁴

The third-largest industry sector in the study area is Public Administration (12.2 percent of total employment). This relatively high concentration of public-sector employment is due to the study area’s inclusion of the Civic Center neighborhood, located to the north of the Project Area. The area features several prominent institutional uses as well as residential, commercial, and open space uses.

More immediately proximate to the Project Area, the South Street Seaport neighborhood is distinct from the neighboring Financial District and includes a range of land uses and building types. Schermerhorn Row and the other buildings on the Museum Site’s block include ground floor retail

¹⁴ Colliers International 2019 Manhattan Office Research Report.

uses and other commercial uses as well as space for the existing South Street Seaport Museum. The South Street Seaport Museum has been a major visitor attraction since its founding in 1967, and the neighborhood saw an increased tourist draw starting in 1982 with the incorporation of modern shopping areas. Other blocks in the neighborhood include low-rise buildings, many historic, with residential uses and ground floor restaurant and retail uses. However, relative to Manhattan and New York City as a whole, the study area has lower percentages of workers in the retail and accommodation and food services industries.

FUTURE WITHOUT THE ~~PROPOSED PROJECT~~PREVIOUSLY PROPOSED PROJECT

Development Site

In the No Action condition, the Development Site is anticipated to be redeveloped with a new as-of-right building containing approximately 302,670 gsf of residential uses (approximately 302 DUs, all market-rate), 19,730 gsf of retail uses, 5,000 gsf of community facility uses, and 65 parking spaces (see Figure 1-4).

Museum Site

While the future of the South Street Seaport Museum remains uncertain, for purposes of analysis it is assumed that absent the ~~Proposed Project~~previously proposed project, the Museum would close permanently. As such, there would be no renovated spaces for the Museum, nor would there be a potential expansion to the Museum.

Remainder of the Project Area

No streetscape, open space, or other improvements (e.g., planters) in the remainder of the project area would occur either under the No Action condition.

FUTURE WITH THE ~~PROPOSED PROJECT~~PREVIOUSLY PROPOSED PROJECT

In the future with the ~~Proposed Project~~previously proposed project, the Development Site would include an approximately 680,500-gsf mixed-use building with 394,400 gsf of residential uses (394 DUs), 271,400 gsf of office uses, 9,700 gsf of retail uses, 5,000 gsf of community facility uses, and 128 parking spaces. On the Museum Site, the ~~Proposed Project~~previously proposed project would include approximately 86,691 gsf of renovated, reopened, and potentially new museum uses.

CEQR Preliminary Assessment Impact Criteria

The following assessment of the future with the ~~Proposed Project~~previously proposed project utilizes the *CEQR Technical Manual's* preliminary assessment criteria (in bold italics).

1. Would the ~~Proposed Project~~previously proposed project introduce enough of a new economic activity to alter existing economic patterns?

The ~~Proposed Project~~previously proposed project would introduce residential, commercial, community facility, parking, and museum uses, all of which currently exist in the study area and therefore would not constitute “new” uses.

2. Would the ~~Proposed Project~~previously proposed project add to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend or to alter existing patterns?

The objective of a socioeconomic conditions analysis is to disclose whether any changes resulting from a project would have a significant adverse impact compared with what would happen in the future if the project were not completed. Therefore, this question considers the incremental development associated with the ~~Proposed Project~~previously proposed project under the RWCDs. As detailed in Table 1-1 of Chapter 1, “Project Description,” the RWCDs would introduce 91,730 gsf of incremental residential use (92 DUs); 271,400 gsf of incremental commercial office use; 86,691 gsf of incremental museum space; and 63 additional parking spaces. The ~~Proposed Project~~previously proposed project would not result in any change in the amount of community facility space at the Development Site relative to the future without the ~~Proposed Project~~previously proposed project and would result in a net decrease of approximately 10,030 gsf of retail space.

While the ~~Proposed Project~~previously proposed project would introduce large residential, commercial office, and museum space increments, the study area already has well-established residential and commercial office markets, and commercial rents (retail and office) are already influenced by the presence of the existing South Street Seaport Museum and other study area attractions.

Residential Uses

The ~~Proposed Project~~previously proposed project would add to the concentration of residential uses in the study area, but as detailed in the indirect residential displacement assessment above, the study area contains well-established residential neighborhoods and consumer markets, and there are other residential development projects planned for the study area. In addition, the ~~Proposed Project~~previously proposed project's incremental residential population would represent less than three percent of the existing study area population, and they would have incomes similar to or below those of existing study area residents.

Commercial Office Uses

The study area has well-established commercial office markets, including most notably the Financial District, which in total contains approximately 42.6 million gsf of office space. The study area, which captures a portion of the Financial District as well as Civic Center area, contains approximately 28.1 million gsf of office space.¹⁵ The ~~Proposed Project~~previously proposed project's incremental office space would represent less than one percent of the commercial office space in the study area; this increment is not of a scale that would substantively influence commercial rents in the study area.

Museum Uses

On the Museum Site, the ~~Proposed Project~~previously proposed project would facilitate the restoration, reopening, and potential expansion of the existing South Street Seaport Museum. The restoration and reopening of the Museum would include approximately 27,996 gsf of renovated space for the Museum at 91-93 South Street and 2-4 Fulton Street and provide a new, more prominent entrance at the corner of South Street and Fulton Street. Though no work would take place, the Museum would also reopen its approximately 26,312-gsf “Collections” space in the AA Low Building at 167-171 John Street as a result of the ~~Proposed Project~~previously proposed project. The potential expansion of the Museum would result in a seven-story, approximately 62-foot tall, 32,383-gsf building on the vacant lot at the corner of John Street and South Street that

¹⁵ 2020 NYC MapPLUTO.

would be integrated with other museum areas and include gallery spaces and a multi-use auditorium space on the ground level.

As noted above, without the ~~Proposed Project~~previously proposed project the future of the South Street Seaport Museum remains uncertain. The ~~Proposed Project~~previously proposed project seeks to preserve and enhance the museum, which in turn would preserve and enhance an existing economic driver—visitor spending—in the study area.

3. *Would the ~~Proposed Project~~previously proposed project directly displace uses of any type that directly support businesses in the study area or bring people to the area that form a customer base for local businesses?*

The ~~Proposed Project~~previously proposed project would not directly displace any businesses or business uses. The ~~Proposed Project~~previously proposed project would maintain and grow the existing South Street Seaport Museum use, which attracts visitors to the study area who form a customer base for local businesses. In addition, as detailed below, the ~~Proposed Project~~previously proposed project also would introduce new residents and workers who would grow the customer base for local businesses.

4. *Would the ~~Proposed Project~~previously proposed project directly or indirectly displace residents, workers, or visitors who form the customer base of existing businesses in the study area?*

The ~~Proposed Project~~previously proposed project would not directly or indirectly displace residents, workers, or visitors who form the customer base of existing businesses. Any potential loss of existing residential customers would be more than offset by the introduction of a new residential population within the Project Area and within the surrounding study area. Similarly, the Proposed Actions would increase the number of daytime workers and visitors relative to existing numbers in the Project Area. New employment resulting from the Proposed Actions would bring an increment of approximately 1,151 workers,¹⁶ increasing the customer base of existing businesses in the study area. The influx of residents and employees to the study area would add to the customer base of existing study area businesses.

Based on the above consideration of CEQR criteria, this preliminary assessment finds that the ~~Proposed Project~~previously proposed project would not add a new economic activity or add to a concentration of a particular sector of the local economy enough to significantly alter or accelerate existing economic patterns. The ~~Proposed Project~~previously proposed project would not directly or indirectly displace uses that provide critical support to businesses in the study area, or that bring people into the area that form a substantial portion of the customer base for local businesses. As such, the ~~Proposed Project~~previously proposed project would not result in significant adverse socioeconomic impacts due to indirect business displacement, and no further assessment is warranted.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

According to the *CEQR Technical Manual*, a significant adverse impact may occur if an action would quantifiably diminish the viability of a specific industry that has substantial economic value

¹⁶ Worker estimate based on employment ratios frequently utilized in CEQR analyses and assumes a fully leased increment of uses.

to the City's economy. An example cited in the *CEQR Technical Manual* is new regulations that prohibit or restrict the use of certain processes that are critical to certain industries.

1. *Would the ~~Proposed Project~~previously proposed project significantly affect business conditions in any industry or any category of business within or outside the study area?*

The ~~Proposed Project~~previously proposed project would not directly displace any businesses, and would not present new regulations or otherwise influence business processes that are critical to certain industries. Therefore, the ~~Proposed Project~~previously proposed project would not significantly affect business conditions in any industry or any category of business within or outside the study area.

2. *Would the ~~Proposed Project~~previously proposed project indirectly substantially reduce employment or have an impact on the economic viability in the industry or category of business?*

As described in the Indirect Business Displacement analysis, the ~~Proposed Project~~previously proposed project would not result in significant indirect business displacement. Therefore, the Proposed Actions would not indirectly substantially reduce employment or have an impact on the economic viability in any specific industry or category of business. In maintaining and potentially expanding the South Street Seaport Museum use, the ~~Proposed Project~~previously proposed project would preserve and enhance the tourism-based economy in the study area.

Based on this preliminary assessment, the ~~Proposed Project~~previously proposed project would not result in significant adverse impacts due to adverse effects on specific industries. *