

3 Socioeconomic Conditions

Introduction

The socioeconomic character of an area includes its population, housing, and economic activity. Socioeconomic changes may occur when a proposed action directly or indirectly changes any of these elements. Although socioeconomic changes may not result in impacts under CEQR, they are disclosed if they would affect land use patterns, low-income populations, the availability of goods and services, or economic investment in a way that changes the socioeconomic character of the area.

This chapter assesses the Proposed Actions' potential effects on socioeconomic conditions. The five principal issues of concern with respect to socioeconomic conditions, pursuant to the *CEQR Technical Manual*, are whether a proposed action would result in significant, adverse impacts because of: (1) direct residential displacement; (2) direct business and institutional displacement; (3) indirect residential displacement; (4) indirect business and institutional displacement; or (5) adverse effects on specific industries.

As described in **Chapter 1, Project Description**, under the RWCDs, the Proposed Actions are analyzed as a generic action. Given their broad applicability, the sites where the Proposed Actions would facilitate development are difficult to predict. Additionally, the proposed zoning text and map amendments in-and-of-themselves are not expected to induce development or cause a significant change in the overall amount, type, or location of development. However, because the land use actions necessary to facilitate development on a site (i.e., certifications, authorizations, and special permits) may change or be eliminated by the proposed regulations, the Proposed Actions could increase the proportion of development sites proceeding as-of-right.³ Therefore, an assessment was performed following screening-level *CEQR Technical Manual*

³ Based on DCP's analysis of DCP land use records and DOB building permit data for 2012–2017, the number of land use applications in the affected special district that would require DCP review could decrease by approximately 60 percent as a result of the Proposed Actions.

guidelines to determine the potential for adverse impacts with respect to socioeconomic conditions. The assessment is based on a comparison of the development of the four prototypical analysis sites under the No Action scenario with the With Action scenario, as described in **Chapter 1, Project Description**.

Principal Conclusions

Based on a preliminary assessment, the Proposed Actions would not result in significant, adverse socioeconomic impacts. The Proposed Actions are intended to be development neutral. As a result, the sites that are developed with or without the Proposed Actions are likely to be the same. While the Proposed Actions may change the configuration of certain developments, the differences would be minor from a socioeconomic standpoint. Any developments under the With Action scenario would have a de minimis effect when compared with the No Action scenario.

The Proposed Actions, as analyzed through four representative prototypical analysis sites, are not anticipated to result in significant, adverse impacts related to socioeconomics. The effects of the Proposed Actions on the five CEQR areas of socioeconomic concern are described below.

Direct Residential Displacement

Analysis of the prototypical analysis sites shows that no existing residential uses or residents would be displaced under the With Action scenario. Because the Proposed Actions are not expected to induce the redevelopment of sites with existing residential uses, they are not expected to result in residential displacement.

Direct Business Displacement

Analysis of the prototypical analysis sites shows that no existing commercial or institutional uses would be displaced under the With Action scenario. The Proposed Actions are not expected to induce the redevelopment of sites that currently provide employment or contain commercial or institutional uses, and as such, are not expected to result in business displacement.

Indirect Residential Displacement

The Proposed Actions would not result in significant, adverse impacts from indirect residential displacement. The analysis of the prototypical analysis sites indicates that the maximum number of incremental units introduced at a development site in the With Action scenario would be one. In addition, because of the limited number of vacant or underbuilt sites and low-density zoning, clustering implications are unlikely. Therefore, the Proposed Actions would not introduce an increment of

more than 200 residential units and do not require a detailed analysis for indirect residential displacement.

Indirect Business Displacement

The Proposed Actions would not result in significant, adverse impacts from indirect business displacement. As indicated in the assessment of the prototypical analysis sites, no commercial development would be introduced in the With Action scenario. The Proposed Actions would introduce less than 200,000 square feet of commercial development, would not result in substantial new development that is markedly different from existing uses and development, and would not create or add to a retail concentration. Furthermore, the Proposed Actions would not introduce new uses to a zoning district, and therefore would not introduce a new trend or residential population that could alter economic patterns. As such, the Proposed Actions do not warrant a detailed analysis of indirect business displacement.

Adverse Effects on Specific Industries

The Proposed Actions would not result in significant, adverse impacts on specific industries, such as the housing market or construction industry. The Proposed Actions would not have a substantial effect on the development potential of the prototypical analysis sites, nor are they expected to modify the current housing development rate within the affected areas. The employment and business conditions of specific industries would not be substantially affected by the Proposed Actions. Therefore, a detailed assessment of the Proposed Actions' potential impacts on specific industries or categories of businesses is not necessary.

Methodology

If a proposed action directly or indirectly changes an area's population, housing, or economic activities, socioeconomic changes may occur. Although socioeconomic changes may not result in impacts under CEQR, they are disclosed if they would affect land use patterns, low-income populations, the availability of goods and services, or economic investment in a way that alters the socioeconomic character of the area. In some cases, these changes may be substantial but not adverse; in other cases, these changes may be beneficial for some groups but negatively affect others. The objective of the socioeconomic conditions analysis is to disclose whether any changes caused by a proposed action would have a significant impact compared to the no action scenario.

The analysis typically distinguishes between the socioeconomic conditions of an area's residents and businesses, although a proposed action may affect both in similar ways. Direct displacement is defined as the involuntary displacement of residents, businesses, or institutions from

the actual site(s) directly affected by a proposed action. Because the occupants of a specific site (or sites) are usually known, the disclosure of direct displacement focuses on specific businesses and employment and a known number of residents and workers.

Indirect or secondary displacement is defined as the involuntary displacement of residents, businesses, or workers in an area adjacent or close to a project site (or projected development sites) that results from changes in socioeconomic conditions generated by a proposed action. Examples include rising rents in an area due to a new concentration of higher income housing introduced by an action, which ultimately could make existing housing unaffordable to lower income residents; a similar turnover of industrial to higher rent commercial tenancies spurred by the introduction of a successful office project in an area; or increased retail vacancy resulting from business closure when a new, large retailer saturates the market for particular types of goods.

Even if a proposed action does not result in direct or indirect business displacement, it could affect the operation of a major industry or commercial operation in the city. For example, new regulations that prohibit or restrict the use of certain processes that are critical to a specific type of industry may affect the operation of that industry. In these cases, it may be appropriate to assess the economic impacts of a proposed action on that particular industry.

As discussed in **Chapter 1, *Project Description***, the Proposed Actions are being analyzed as a generic action with no specific known or projected development sites. Thus, to produce a reasonable analysis of likely effects of the Proposed Actions, four representative prototypical analysis sites were identified to demonstrate the wide range of proposed regulations for sites that would be able to develop as-of-right in the future. The net incremental development associated with each individual prototypical analysis site has been evaluated according to the methodologies presented in the socioeconomic section of the 2014 *CEQR Technical Manual*.

A preliminary analysis was performed to identify whether any prototypical analysis sites would exceed the initial screening thresholds (discussed below), and thus would warrant detailed studies to determine whether they would be reasonably expected to create socioeconomic changes within the area.

Initial Screening Analysis

A socioeconomic assessment is warranted when a proposed action is reasonably expected to create socioeconomic changes within the project area that are not be expected to occur without the project. The following circumstances typically require a socioeconomic assessment:

1. When an action would directly displace residential population to the extent that the socioeconomic character of the neighborhood would be substantially altered. Displacement of fewer than 500 residents generally would not alter the socioeconomic character of a neighborhood. Assessments of direct and indirect residential displacement, as well as indirect business displacement, are warranted for actions exceeding this threshold.
2. When an action would directly displace more than 100 employees, assessments of direct and indirect business displacement are appropriate.
3. When an action would directly displace a business that is unusually important because its products or services are uniquely dependent on its location; that, based on its type or location, is the subject of other regulations or publicly adopted plans aimed at its preservation; or that serves a population uniquely dependent on its services in its present location. Direct and indirect business displacement assessments are typically required under any of these circumstances.
4. When an action would result in substantial new development that is markedly different from existing uses and development in the neighborhood, and as such, may lead to indirect displacement. An action that is small to moderate in size would not cause a significant socioeconomic effect unless it is likely to generate socioeconomic conditions substantially different from existing conditions. Residential development of 200 units or less or commercial development of 200,000 square feet or less typically do not result in significant socioeconomic impacts. For actions exceeding these thresholds, assessments of indirect residential and business displacement are typically necessary.
5. The action would either create or add to a retail concentration that draws a substantial amount of sales from existing businesses within the study area to the extent that certain business types close and vacancies in the area increase, thus resulting in a potential for disinvestment on local retail streets. An action that introduces less than 200,000 square feet of retail on a single development site generally does not cause significant socioeconomic impacts. If the proposed development is located on multiple sites throughout a project area, a preliminary analysis is likely appropriate. For actions exceeding these thresholds, an assessment of the indirect business displacement owing to market saturation is warranted.
6. If the action is expected to affect conditions within a specific industry, an industry assessment is typically needed. For instance, a citywide regulatory change that would adversely affect the economic and

operational conditions of certain types of businesses may affect socioeconomic conditions in a neighborhood if: (1) a substantial number of residents or workers depend on the goods or services provided by the affected businesses; or (2) it would result in the loss or substantial diminishment of a particularly important product or service within the city. Because the range of possible types of projects that may require an analysis of specific industries varies, the lead agency, in consultation with the Mayor's Office of Environmental Coordination, should provide guidance as to whether an analysis is warranted.

Preliminary Assessment

Direct Residential Displacement

The Proposed Actions are not expected to induce development on sites with existing residential uses; thus, the actions are not expected to displace any residents. All the prototypical analysis sites would include residential uses. The development of one of these sites (site 3) would result in an increase in floor area developable as-of-right and would introduce a nominal number of new residents compared to the No Action scenario. However, no existing residential uses would be displaced on any of the prototypical analysis sites. The Proposed Actions would not displace 500 or more residents and thus do not trigger the need for a detailed analysis. Therefore, because the Proposed Actions are not expected to induce the redevelopment of an existing building, they would not result in the direct displacement of any residential population.

Direct Business Displacement

The Proposed Actions are not expected to induce development on sites that currently provide employment or include institutional uses; and as such, they are not expected to displace any businesses, institutions, or employees. The Proposed Actions would not displace 100 or more employees and do not trigger the need for a detailed analysis.

None of the prototypical analysis sites would include non-residential uses that generate employment. Therefore, the Proposed Actions would not cause the direct displacement of businesses, institutions, or workers.

Indirect Residential Displacement

The Proposed Actions would not result in the development of more than 200 residential units. Given the broad applicability of the Proposed Actions and the dispersed nature of prototypical analysis sites, new residential development or increase in units introduced by the Proposed Actions would be incremental in nature and would not add a substantial number of units in any given location. The evaluation of the prototypical analysis sites shows that an incremental increase in the number of dwelling units would be limited to site 3, with an increment of one unit.

Because the number of vacant or underbuilt sites is limited and zoning is low density, clustering implications are unlikely. The affected existing special district includes a limited number of vacant lots that typically exhibit limited development potential. In SNAD NA-2, smaller vacant parcels are located on steep slopes and/or are thickly forested lots that serve as buffers between adjacent properties, while the larger vacant lots are generally located along the Hudson River shoreline and include submerged land.

Based on the limited amount of vacant land, combined with the low-density residential zoning districts mapped throughout the affected area, the clustering of multiple developments resulting in an incremental increase of more than 200 new residential units is unlikely.

The Proposed Actions would not have a growth-inducing effect and would not introduce a trend or accelerate a trend of changing socioeconomic conditions that may potentially displace a vulnerable population to the extent that the socioeconomic character of the neighborhood would change. Therefore, the Proposed Actions do warrant further analysis with respect to indirect residential displacement.

Indirect Business Displacement

The Proposed Actions would not result in the incremental commercial development of more than 200,000 square feet at any given location. An assessment of the prototypical analysis sites shows that no sites would introduce commercial or institutional development. Thus, the Proposed Actions would not introduce an increment of more than 200,000 square feet of commercial development at any given location.

In addition, NA-2 does not contain commercial or manufacturing zoning districts. Because the Proposed Actions would not introduce net commercial or institutional development, they would not result in substantial new development that is markedly different from existing uses and development. Similarly, the Proposed Actions would not create or add to a retail concentration that draws a substantial amount of sales from existing businesses to the extent that certain business types close and vacancies in the area increase, thus resulting in a potential for disinvestment on local retail streets.

As discussed in the 2014 *CEQR Technical Manual*, indirect displacement of businesses occurs when a project would markedly increase property values and rents throughout a study area, making it difficult for some categories of businesses to remain in the area. Additionally, indirect displacement of a business may occur if an action directly displaces any type of use that either directly supports businesses in the area or brings a customer base to the area for local businesses, or if it directly or indirectly displaces residents or workers who form the customer base of existing

businesses in the area. The Proposed Actions are not expected to result in any of these conditions. The Proposed Actions would not change the overall permitted amount, type, and location of development within the affected areas, and no new land uses would be allowed that are not permitted by underlying zoning or the modifications set forth in the existing special district regulations.

Because the Proposed Actions would not generate more than 200,000 square feet of incremental commercial development at any given site, they would not result in substantial new development that is markedly different from existing uses and development. In addition, the Proposed Actions would not introduce new uses to a zoning district, and the actions would not introduce a new trend or residential population that could alter economic patterns. Therefore, the Proposed Actions do not warrant a detailed analysis for indirect business displacement.

Adverse Effects on Specific Industries

The Proposed Actions would not result in any significant, adverse impacts due to effects on specific industries, such as the housing market or the construction industry. To determine the potential for impacts associated with the housing market or construction industry, the development potential (as-of-right) of the four prototypical analysis sites under existing and proposed zoning regulations was qualitatively assessed.⁴ Depending on site characteristics, the Proposed Actions could slightly increase, slightly decrease, or have no effect on the potential for site development. Under the With Action scenario and existing regulations, the development potential would remain the same for most sites (i.e., two out of four); whereas the development potential would be slightly reduced for one site and slightly increased for one site.

The Proposed Actions would facilitate new development or enlargement on one prototypical analysis site (site 3), which would require discretionary approval under the No Action scenario. Compared to the No Action scenario, site 3 would experience a floor area increase of 6,000 square feet.

For one prototypical analysis site, the development footprint would be slightly smaller under the Proposed Actions than under the No Action scenario. Compared to the No Action scenario, site 4 would experience a decrease in floor area of 400 square feet. The remaining prototypical sites (sites 1 and 2) would not experience any change in floor area compared to the No Action scenario. Therefore, the Proposed Actions would not have substantial effects on site development potential.

⁴ The development potential of the prototypical analysis sites is based on the as-of-right development size permitted under the No Action and With Action scenarios, as described in **Chapter 1, Project Description**.

The development assumptions in the No Action and With Action scenarios mirror recent historical development patterns. In the Bronx, between 2012 and 2017, DOB issued 59 permits for new residential buildings and enlargements in NA-2, representing an average of approximately 10 permits per year or approximately 1 percent of NA-2 properties annually. The Proposed Actions are not expected to change the rate of growth, which is controlled primarily by the supply of developable land and the local supply of skilled professionals in the construction industry. In the No Action scenario, development patterns in NA-2 are expected to continue. New residential development and enlargements are estimated to occur at 100 lots in SNAD NA-2 within the analysis year of 2029.

As discussed above, the Proposed Actions are not expected to have a substantial effect on the development potential of sites nor are they expected to modify the current housing development rate within the affected area. Therefore, the Proposed Actions would not have a significant effect on business conditions of the housing market or construction industry within or outside the affected area. Similarly, the Proposed Actions would not indirectly impair the housing market or construction industry or result in a substantial reduction in the number of construction industry or housing market jobs.

Conclusion

Because the Proposed Actions are intended to be development neutral, sites developed with or without the Proposed Actions are likely to be the same. While the Proposed Actions may change the configuration of certain developments, the differences would be minor from a socioeconomic standpoint. Any developments in the With Action scenario would have a de minimis effect when compared with the No Action scenario.

The preceding analyses indicate that the Proposed Actions would not directly displace any residents, businesses, or employees; would not affect real estate market conditions in a way that would result in indirect displacement of residents or businesses; and would not have an adverse effect on a specific industry such as the construction industry or the housing market. Consequently, the Proposed Actions do not warrant further analysis with respect to the potential for direct or indirect residential displacement, direct or indirect business displacement, or adverse effects on a specific industry. The proposed regulations would result in development that has the same general socioeconomic characteristics as exhibited by existing development throughout the affected area. Therefore, the Proposed Actions would not result in significant, adverse impacts related to socioeconomic character.

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