Chapter 3: Socioeconomic Conditions

A. INTRODUCTION

This chapter describes the socioeconomic changes that could result from the Proposed Actions and assesses whether such changes could result in significant adverse impacts. As described in the 2020 *City Environmental Quality Review (CEQR) Technical Manual*, the socioeconomic character of an area includes its population, housing, and economic activity. SoHo and NoHo are dynamic mixed-use neighborhoods with an established residential population and strong office, retail, and creative sectors that have evolved beyond what was contemplated by the M1-5A and M1-5B zoning. The Proposed Actions seek to address neighborhood and citywide planning needs, including supporting economic development, recovery, and resiliency; strengthening mixed-use; increasing access to housing—including affordable housing; and establishing harmonious built form. In some cases, the changes brought about by the Proposed Actions may be substantial but not adverse. In other cases, the changes may be good for some groups but bad for others. The objective of the CEQR analysis is to disclose whether any changes in population, housing, and economic activity created by the Proposed Actions would have a significant adverse impact compared to what would happen in the future without the Proposed Actions.

The *CEQR Technical Manual* guidelines recommend examination of five ways in which the Proposed Actions could alter socioeconomic conditions in a manner that could lead to significant impacts: (1) direct residential displacement; (2) direct business displacement; (3) indirect residential displacement; (4) indirect business displacement; and (5) adverse effects on specific industries. As detailed in Section B, "Methodology," the Proposed Actions could directly displace an estimated 60 residents, which is well below the 500-person threshold warranting assessment. However, projected development resulting from the Proposed Actions could directly displace an estimated 590 employees, which is above the 100-worker threshold warranting assessment of potential significant adverse impacts due to direct and indirect business displacement. In addition, the Proposed Actions would result in residential development in excess of 200 residential dwelling units (DUs); therefore, an assessment of indirect residential displacement is warranted. Finally, given that the Proposed Actions may directly or indirectly displace businesses, an assessment of potential adverse effects on specific industries is warranted.

PRINCIPAL CONCLUSIONS

DIRECT RESIDENTIAL DISPLACEMENT

A screening-level assessment found that the Proposed Actions would not result in significant adverse impacts due to direct residential displacement. Under the Reasonable Worst-Case Development Scenario (RWCDS), the Proposed Actions could directly displace an estimated 60 residents living in 32 DUs by 2031. The DUs that would be displaced are located on Projected Development Sites 1, 7, and 20.[1]

According to the *CEQR Technical Manual*, direct displacement of fewer than 500 residents would not typically be expected to substantially alter the socioeconomic character of a neighborhood. The potentially displaced residents represent less than one-tenth of one percent of the estimated 83,306 current residents within the socioeconomic study area;[2] therefore, the potential direct displacement would not substantially alter the socioeconomic character of the neighborhood.

DIRECT BUSINESS DISPLACEMENT

A preliminary assessment found that the Proposed Actions would not result in significant adverse impacts due to direct business displacement. Under the RWCDS, projected development generated by the Proposed Actions could directly displace an estimated 57 businesses on projected development sites and an estimated 590 jobs associated with those businesses. The 57 potentially displaced businesses include: 14 retail apparel businesses, one hotel and 10 food service businesses, five parking lots, six personal care businesses, four creative and interior design businesses, four rental and leasing businesses, four finance and insurance businesses, three businesses involved in management of companies, one art studio, one fitness studio, one video editing service business, and one vascular surgery clinic. The 57 businesses do not represent a majority of the study area businesses or employment for any given industry sector. While all businesses contribute to neighborhood character and provide value to the City's economy, there are alternative sources of goods, services, and employment provided within the socioeconomic study area. Therefore, the potential displacement of these businesses does not constitute a significant adverse impact on the socioeconomic conditions of the area as defined by CEQR. None of the potentially displaced businesses are within a category of business that is the subject of regulations or publicly adopted plans to preserve, enhance, or otherwise protect it. In addition, comparable services and employment opportunities to those provided by directly displaced retail businesses are expected as part of the development resulting from the Proposed Actions. On the projected development sites, the Proposed Actions would result in a net increase of 15,722 gross square feet (gsf) of neighborhood retail space, 21,348 gsf of destination retail space, and 33,608 of supermarket space.

INDIRECT RESIDENTIAL DISPLACEMENT

A detailed analysis found that the Proposed Actions would not result in significant adverse impacts due to indirect residential displacement. The Proposed Actions would result in an increment of 1,826 DUs above the No Action condition and an estimated net increase of 3,452 residents. The preliminary assessment found that for most of the study area, the overall average household income of new population in the With Action condition would be lower than the average household income of the existing population. However, for two subareas a more detailed analysis

[1] The addresses of the sites that would experience direct residential displacement are as follows: Site 1: 350-352 Bowery, Site 7: 381-383 Canal Street, Site 20: 356 West Broadway.

[2] The socioeconomic study area is the area within which the Proposed Actions could directly or indirectly affect socioeconomic conditions. As detailed under "Study Area Definition" in Section B, the socioeconomic study area captures an approximately ¼-mile area surrounding the Project Area, including portions of SoHo, NoHo, East Village, Bowery, Little Italy, Chinatown, Civic Center, TriBeCa, and Greenwich Village (see **Figure 3-1**). The current socioeconomic study area residential population was estimated using the DCP Housing Database, accessed in April 2021.

4.20.21

Data source: NYC Department of City Planning

Project Area / Rezoning Area

Socioeconomic Study Area

Quarter-mile Radius Around Project Area / Rezoning Area

49 Census Tract

0 1,000 FEET

Socioeconomic Study Area

SOHO/NOHO NEIGHBORHOOD PLAN

Figure 3-1

was required to determine whether the Proposed Actions could result in significant adverse displacement impacts. The detailed assessment focused on: Subarea A[3], roughly bounded by Bowery to the west, Rivington Street to the south, First Avenue to the east, and East 9th and East 14th Streets to the north; and Subarea B[4], roughly bounded by Bowery to the east, the Brooklyn Bridge approach to the south, Centre Street to the west, and East Houston Street to the north. These subareas have lower average household incomes than other parts of the study area.

The analysis found that while the Proposed Actions would add a new higher-income population within or adjacent to Subareas A and B, the mixed-income composition of the new population would not cause substantial changes in the real estate market that would lead to significant indirect displacement of vulnerable renters in unprotected units. In both subareas, market rate rents are already unaffordable to low-income households. Given the high rental housing costs in the study area, it is expected that most low-income renters in the subareas reside in protected rental units and would not be vulnerable to indirect residential displacement as a result of the Proposed Actions. The Proposed Actions are expected to introduce more affordable housing than in the Future without the Proposed Actions, potentially slowing trends of increasing rents and maintaining a more diverse mix of incomes within the subareas as compared to the No Action condition.

INDIRECT BUSINESS DISPLACEMENT

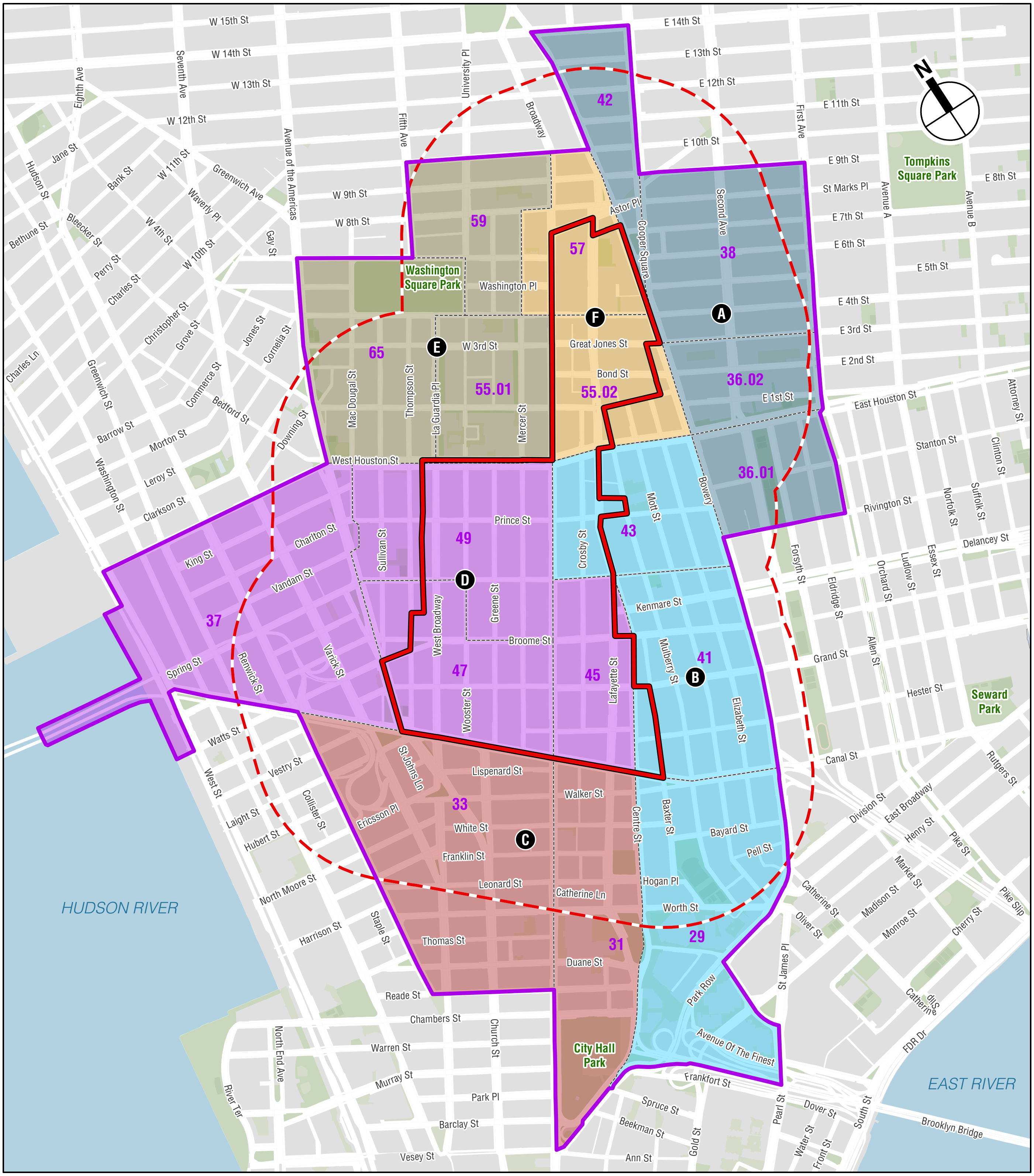
A preliminary assessment found that the Proposed Actions would not result in significant adverse impacts due to indirect business displacement. Concerns under CEQR are whether the Proposed Actions could lead to changes in local market conditions that could lead to increases in commercial property values and rents within the study area, making it difficult for some categories of businesses to remain in the area, and whether the Proposed Actions could lead to displacement of a use type that directly supports businesses in the study area or brings people to the area that forms a customer base for local businesses.

The Project Area and broader study area have well-established residential and retail markets such that the Proposed Actions would not introduce new economic activities to the projected development sites or to the study area, nor would it add to a concentration of a particular sector of the local economy enough to significantly alter or accelerate existing economic patterns. The Proposed Actions would add an increment above the No Action Condition of 1,826 DUs, providing substantial amounts of new housing for current and future residents. This would introduce a new residential population, but the demand for goods and services from existing residents has already established a strong commercial market such that the influence of new residents would not markedly increase commercial property values and rents throughout the study area. The SoHo/NoHo retail market is one of the most established and expensive retail markets in the City, and many retail businesses in the area tend to be flagship destination stores serving a regional trade area. In addition, the introduction of a new residential population would increase demand for the goods and services provided by existing businesses. The Proposed Actions would add an increment of 70,678 gsf of retail space (local and destination retail and supermarket). There is currently a trend of increasing development of retail space in the study area. The retail added under the RWCDS would not be enough to alter or accelerate ongoing trends.

[3] Subarea A consists of Census Tracts 36.01, 26.02, 38, and 42 (see **Figure 3-2**).

[4] Subarea B consists of Census Tracts 29, 41, and 43 (see **Figure 3-2**).

4.20.21



Data source: NYC Department of City Planning

	Project Area / Rezoning Area
	Socioeconomic Study Area
	Quarter-mile Radius
49	Census Tract

Socioeconomic Study Area Subareas

A	East Village	D	SoHo / Hudson Square
B	Little Italy / Chinatown	E	Greenwich Village
C	Civic Center / Tribeca	F	NoHo

Socioeconomic Study Area Subareas

SOHO/NOHO NEIGHBORHOOD PLAN

Figure 3-2

The Proposed Actions would not directly displace uses that provide substantial direct support for businesses in the area or that bring people into the area that form a substantial portion of the customer base for local businesses. The Proposed Actions' resident population would become new customers at many of the existing retail businesses in the Project Area and study area, and the mix of market-rate and affordable DUs resulting from the Proposed Actions would maintain a diverse customer base to shop at retail stores offering products at a range of price points.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

A preliminary assessment found that the Proposed Actions would not result in significant adverse impacts due to adverse effects on specific industries. 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. The Proposed Actions would not significantly affect the business conditions in any industry or any category of business within or outside the study area. By 2031, the Proposed Actions could directly displace an estimated 57 businesses and 590 employees in several economic sectors. The businesses that could be displaced do not represent a critical mass of businesses within any City industry, category of business, or category of employment. Although these businesses are valuable individually and collectively to the City's economy, the goods and services offered by potentially displaced uses can be found elsewhere within the socioeconomic study area, within a broader trade area, and within the City as a whole. The products and services offered by potentially displaced businesses are not essential to the viability of other businesses within or outside the study area. The Proposed Actions would not result in significant indirect business displacement, and therefore would not indirectly substantially reduce employment or have an impact on the economic viability in any specific industry or category of business.

B. METHODOLOGY

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 was not completed. Even when socioeconomic changes would 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.

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. Examples of direct displacement include a proposed redevelopment of a 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.

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 action. 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 proposed action on a particular industry is analyzed.

For a project covering a large geographic area, such as an area-wide rezoning, the precise location and type of potential future development may not be known because it is not possible to determine with certainty the actions of private property owners, whose future development plans are tied to the terms of private contracts and leases. In such cases (including for this analysis), sites are analyzed under an RWCDS to illustrate a conservative assessment of potential effects of a proposed action on sites considered likely to be redeveloped. While socioeconomic conditions can change (i.e., populations decreasing or businesses turning over), the socioeconomic conditions analysis is a density-based technical analysis and anticipated development on projected development sites form the bases for the impact assessment.

The analysis of the Proposed Actions is based on the RWCDS, which includes development projected to be completed within the 10-year analysis window (by the 2031 Build Year). By the 2031 Build Year, the Proposed Actions could result in the incremental development within the Project Area of 1,826 DUs, including 381 to 572 affordable DUs; a net reduction of 15,133 gsf of commercial space; a net increase of 20,778 gsf of community facility space; and a loss of 23,084 gsf of industrial space. The following sections describe how the Proposed Actions are 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 Actions' RWCDS.

1. Direct Residential Displacement: Would the Proposed Actions 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.

Under the RWCDS, by 2031 the Proposed Actions could directly displace an estimated 60 residents living in 32 DUs. The 32 DUs that could be displaced are located on Projected Development Sites 1, 7, and 20. Based on the average household size of the community district in which the DUs are located,[5] an estimated 60 residents live in the 32 potentially displaced DUs. Under the RWCDS, six Joint-Living-Work Quarters for Artists (JLWQA) units could be displaced from two buildings (located at Projected Development Site 7) that are classified as current or former Interim Multiple Dwellings (IMDs) under the Loft Law. Upon full residential conversion, units in former IMD are subject to rent stabilization under the Emergency Tenant Protection Act (ETPA). However, Site 7 is not listed on New York State Homes and Community Renewal's (HCR) Rent Stabilized Buildings List, and the legalized units on Site 7 have fallen out of rent stabilization. IMDs are not subject to rent stabilization.

[5] The estimated number of residents who could be directly displaced is based on the U.S. Census Bureau's 2018 American Community Survey (ACS) estimates of the average household size within Manhattan Community District 2 (1.89 people per DU).

As described further in Chapter 1, "Project Description," in 1971, JLWQA was created as a new manufacturing use within zoning Use Group 17 to allow certain artists and their households to live and practice their craft in commercial and manufacturing spaces. The M1-5A and M1-5B zoning required that spaces used as JLWQA must be occupied by an artist certified by the Department of Cultural Affairs (DCLA). DCLA established criteria for artist certification based on the limited definition of "artist" in the New York State Multiple Dwelling Law (MDL).

In the early 1980s, the City and State introduced zoning and legislative changes to regulate the conversion of non-residential loft buildings after recognizing a growing trend of illegal residential loft conversions. The MDL was amended by the enactment of Article 7C (also known as the "Loft Law"), which enabled the creation of IMDs i.e., a temporary legal status conferred upon commercial or manufacturing buildings occupied by three or more families with the ultimate expectation that such buildings be upgraded as permanent housing, and established the New York City Loft Board to regulate such conversions to residential use (Use Group 2).

Recognizing that artists' occupations and circumstances could change, and many residents did not qualify for artist certification, the City later granted amnesties for non-artist residents in SoHo/NoHo JLWQAs, noting that these units could be legalized as JLWQA and occupied by non-artists. In addition, JLWQAs may be occupied by non-artists due to familial successions of units to non-artists, sales and leasing of units to non-artists, as well as Use Group 2 residential conversions.

According to the *CEQR Technical Manual*, direct displacement of less than 500 residents would not typically be expected to alter the socioeconomic character of a neighborhood. The 60 residents that could be directly displaced by the Proposed Actions represent less than one-tenth of one percent of the current study area population; this level of displacement would not have the potential to alter the socioeconomic character of the area, and no further assessment of this direct residential displacement is warranted.

2. Direct Business Displacement: Would the Proposed Actions 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?

By 2031, the Proposed Actions could directly displace an estimated 57 businesses located on the projected development sites. The 57 potentially displaced businesses include: 14 Retail Trade sector businesses; 11 Accommodation and Food Services sector businesses; 11 "Other Services (excluding Public Administration)"; five Professional, Scientific, and Technical Services sector businesses; four Real Estate and Rental and Leasing sector businesses; four Finance and Insurance sector businesses; three Management of Companies and Enterprises sector businesses; two Arts, Entertainment, and Recreation sector businesses; two Information sector business; and one Health Care and Social Assistance sector business. Based on field surveys, online research of potentially displaced businesses, and employment density ratios widely used in CEQR analyses, there are an estimated 590 employees associated with the 57 potentially displaced businesses. The number of potentially displaced employees exceeds the 100-employee threshold and, as such, further analysis of direct business displacement is warranted (see Section C, "Preliminary Assessment").

3. Indirect Residential Displacement due to Increased Rents: Would the Proposed Actions 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 square feet (sf) or less would typically not result in significant socioeconomic impacts.

Under the RWCDS, the Proposed Actions would result in the incremental development of 1,826 DUs, which exceeds the CEQR threshold of 200 units, warranting further analysis (see Section C, “Preliminary Assessment”).

4. Indirect Business Displacement due to increased rents or market saturation: Would the Proposed Actions result in substantial new development that is markedly different from existing uses, development, and activities within the neighborhood; or would the Proposed Actions 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 Actions’ commercial increment would not exceed this threshold, and the Proposed Actions’ intent is to strengthen SoHo and NoHo as dynamic mixed-use neighborhoods by removing zoning barriers for businesses and economic recovery. Nevertheless, given that the Proposed Actions would result in the incremental development of 1,826 DUs, an indirect business displacement analysis was performed (see Section C, “Preliminary Assessment”). The analysis focuses on the potential for indirect displacement due to increased rents, as the incremental retail would be well below the 200,000-sf increment warranting assessment of potential retail market saturation.

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 questions two and four above, the Proposed Actions could result in direct and 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 the affected businesses. Section C, “Preliminary Assessment,” addresses whether the Proposed Actions 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. In addition, given SoHo/NoHo’s legacy as an artist community and the arts-related and creative presence in the neighborhood, this assessment also specifically considers the creative arts industry and assesses whether the Proposed Actions’ effects on JLWQA use and live-work arrangements and the projected direct business displacement could adversely affect the creative arts industry.

Based on the above screening assessment, the Proposed Actions warrant further assessment of direct business displacement, 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 begins with a screening assessment that determines the need for a preliminary assessment. As described above, for one of the five areas of concern—direct residential displacement—the potential effects of the Proposed Actions did not warrant a preliminary assessment. For the four other areas of socioeconomic concern—direct business displacement, indirect residential displacement, indirect business displacement, and adverse effects on specific industries—preliminary assessments were conducted.

The preliminary assessments are conducted to learn enough about the potential effects of the Proposed Actions 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. A detailed analysis is designed to examine existing conditions and then evaluate the changes to those conditions in the With Action condition as compared with the changes that would be expected in the No Action condition.

STUDY AREA DEFINITION

A socioeconomic study area is the area within which the Proposed Actions have the greatest potential to directly or indirectly affect population, housing, and economic activities. A study area typically encompasses a project area and adjacent areas within approximately 400 feet, quarter-mile, or half-mile, depending upon the project size and area characteristics. According to the *CEQR Technical Manual*, the larger half-mile study area is appropriate for projects that would potentially increase the quarter-mile area population by more than five percent. Under the RWCDS, the Proposed Actions would increase the existing quarter-mile area population by approximately 3,452 people (4.4 percent); therefore, a quarter-mile study area delineation is warranted.

Because socioeconomic analyses depend on demographic data, it is appropriate to adjust the study area boundary to conform to the census tract delineation that most closely approximates the desired radius (in this case, a quarter-mile radius surrounding the Project Area). For this analysis, the census tracts that comprise the "socioeconomic study area," or "study area," are shown in **Figure 3-1**. The adjusted study area captures an approximately quarter-mile area surrounding the Project Area, including portions of SoHo, NoHo, East Village, Bowery, Little Italy, Chinatown, Civic Center, TriBeCa, and Greenwich Village.

The approximately 56-block Project Area, shown in **Figure 3-1**, lies at the center of the socioeconomic study area and is the focus of analysis. The Project Area is generally bounded by Astor Place and Houston Street to the north; Bowery, Lafayette Street, and Baxter Street to the east; Canal Street to the south; and Sixth Avenue, West Broadway, and Broadway to the west. The Project Area is occupied with 26 projected development sites and 58 potential development sites (see Figure 1-5 in Chapter 1, "Project Description"). The 26 projected development sites are the sites most likely to experience redevelopment under the Proposed Actions within the 10-year analysis period, and the 58 potential development sites are less likely to be redeveloped by 2031. Therefore, the program associated with these sites is not included in the assessment of the 2031 With Action condition.

For area-wide rezoning projects that cover multiple neighborhoods and distinct residential markets, according to the *CEQR Technical Manual* it is appropriate to also consider subareas within the study area. The indirect residential displacement assessment considers six subareas (Subareas A through F), shown in **Figure 3-2** and defined as follows:

- **Subarea A (East Village)** lies outside of the Project Area and includes portions of the East Village and Lower East Side neighborhoods. It is generally bounded by Bowery to the west, Rivington Street to the south, First Avenue to the east, and East 9th and East 14th Streets to the north. The subarea consists of four census tracts (Census Tracts 36.01, 36.02, 38 and 42). The subarea has lower household incomes than Manhattan, but greater than the City as a whole. Although outside of the Project Area, the subarea could experience indirect effects and therefore warrants assessment of potential indirect residential displacement separate from the broader socioeconomic study area.

- **Subarea B (Little Italy/Chinatown)** captures eastern and southeastern portions of the Project Area and includes portions of the adjacent Nolita, Little Italy, and Chinatown neighborhoods. The subarea is generally bounded by Bowery to the east, the Brooklyn Bridge approach to the south, Centre Street to the west, and East Houston Street to the north; it consists of three census tracts, Census Tracts 29, 41 and 43. The subarea has experienced increases in income and rents since 2010, and has the lowest median household income of all subareas.
- **Subarea C (Civic Center/TriBeCa)** is located south of the Project Area and is generally bounded by Canal Street to the north, Centre Street to the east, City Hall Park to the south, and Hudson Street to the west (Census Tracts 31 and 33). This subarea includes TriBeCa and the Civic Center neighborhoods, and has the highest household incomes of all subareas within the study area.
- **Subarea D (SoHo/Hudson Square)** is generally bounded by West Houston Street to the north, Centre Street to the east, Canal Street to the south, and the Hudson River to the west (Census Tracts 37, 47, 45, and 49) and captures most of the Project Area and SoHo neighborhood, as well as the Hudson Square neighborhood to the west of the Project Area. Average household incomes are relatively high in this subarea.
- **Subarea E (Greenwich Village)** is located north and west of the Project Area in the Greenwich Village neighborhood. The subarea is generally bounded by West Houston Street to the south, Sixth Avenue to the west, 10th Street to the north, and Broadway to the east (Census Tracts 55.01, 59, and 65). Household incomes in this subarea are above the average and median for Manhattan and New York City.
- **Subarea F (NoHo)** captures the NoHo neighborhood within the Project Area and is generally bounded by 10th Street to the north, Bowery to the east, East Houston to the south, and Broadway to the west (Census Tracts 55.02 and 57). Average household income in this subarea is among the highest of the subareas in the study area.

DATA SOURCES

Information used in the analyses of direct and indirect residential displacement—including population, housing, rents, and incomes—were gathered from the U.S. Census Bureau's 2006–2010 and 2014–2018 American Community Survey (ACS) using Social Explorer and the New York City Department of City Planning (DCP) Population FactFinder. Social Explorer is a demographic data visualization and research website that agglomerates a variety of data including data from the U.S. Census and ACS. The DCP 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] Study area market-rate asking rents were researched using online real estate listing sites, including StreetEasy.

[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.

StreetEasy is a searchable online database that uses web data extraction to compile an aggregated list of residential property listings from most of New York City's largest brokerage firm and hundreds of small-scale brokers. For the detailed indirect residential displacement analysis, data on household income by subarea and by tenure was tabulated using the 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) data. CHAS data are custom tabulations of data from the ACS created for the United States Department of Housing and Urban Development (HUD) by the U.S. Census Bureau.[7] CHAS data classifies households by tenure and by household income as a percent of HUD AMI. Estimates of protected rental units were determined using data from New York University (NYU) Furman Center Data and New York State Homes and Community Renewal (HCR) Rent Stabilized Buildings List. Estimates of current and future No Action condition socioeconomic study area populations are based on data from the DCP Housing Database.[8]

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.[9] The data for evaluating the present conditions of businesses within the study area were based on DCP's Retail Activity study conducted across 24 New York City neighborhoods in September 2020,[10] as well as workshop conducted by DCP for the Envision SoHo/NoHo initiative that assessed the current state of employment in the two neighborhoods.[11]

The above-described data were supplemented by field surveys conducted by AKRF staff during the winter of 2020/2021. During the field surveys, AKRF staff characterized land uses and economic activities. Further, AKRF staff identified businesses that could be directly displaced by projected development. [12] AKRF staff field surveys were supplemented by online information, including websites of businesses that would be directly displaced under the RWCDS. Employment estimates are based on a combination of online research of individual businesses, AKRF field observations, and standard industry employment density ratios commonly used for CEQR analysis. Employment density ratio calculations are based partly on the size of the building in which a business is located. Building square footage data was obtained from MapPLUTO.

---

[7] https://www.huduser.gov/portal/datasets/cp.html

[8] https://www1.nyc.gov/site/planning/data-maps/open-data/dwn-housing-database.page

[9] https://onthemap.ces.census.gov/

[10] New York City Department of Planning. "Retail Activity in NYC: COVID Recovery across 24 Neighborhoods." New York: NYC Department of Planning, September 2020. https://www1.nyc.gov/assets/planning/download/pdf/planning-level/housing-economy/retail-activity-nyc-covid-recovery.pdf. Accessed March 25, 2021.

[11] New York City Department of Planning. "Workshop 1: Defining Mixed-Use - Feb. 28, 2019." New York: NYC Department of Planning, February 2019. https://s3-us-west-1.amazonaws.com/ehq-production-us-california/91118beb102e3c138b3d7aaa9b5e957137e73b22/documents/attachments/000/004/062/original/DCP_presentation_for_SoHo_NoHo_Feb_28_Workshop.pdf?1551466820. Accessed March 25, 2021.

[12] Potentially displaced business research and associated field surveys were conducted during the winter 2020/2021, in the midst of the Covid-19 pandemic. Businesses that were identified as permanently closed due to the pandemic were not included in the business inventory. Businesses that were identified as temporarily closed, or for which their status could not be determined, were conservatively included in the business inventory.

C. PRELIMINARY ASSESSMENT

DIRECT BUSINESS DISPLACEMENT

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. In accordance with the guidelines, displacement of a business or group of businesses is not, in itself, considered a significant adverse environmental impact. While all businesses contribute to neighborhood character and provide value to the City's economy, the *CEQR Technical Manual* specifies consideration of the following in determining the potential for significant adverse impacts: (1) whether the businesses to be displaced provide products or services essential to the local economy that would no longer be available to local residents or businesses, and (2) whether adopted public plans call for preservation of such businesses in the area.

As detailed below, projected development generated by the Proposed Actions could directly displace 57 businesses and an estimated 590 jobs associated with those businesses.[13] As such, a preliminary assessment of direct business displacement was conducted, examining the employment and business value characteristics of the potentially displaced businesses. The analysis begins with a description of overall economic activities within the study area, then describes the businesses and employment that could be directly displaced by the Proposed Actions. CEQR assessment criteria are used to determine whether such displacement could result in significant adverse impacts.

PROFILE OF EMPLOYMENT IN THE SOCIOECONOMIC STUDY AREA

As of 2018, there were an estimated 206,831 employees working in the socioeconomic study area (see **Table 3-1**). These employees represented approximately 8.2 percent of Manhattan's total employment, and approximately 4.6 percent of New York City's total employment. Nearly 45 percent of total jobs in the Project Area are office-based positions such as Public Administration, Professional, Scientific, and Technical Services, Information, Finance and Insurance, and Management of Companies. Comparatively, office-based positions make up roughly 40 percent of Manhattan's economic sector, and 30 percent of New York City's.

The economic sector with the highest employment was Public Administration, which accounted for approximately 17.4 percent of employment in the study area, a substantially higher percentage of employment than in the entirely of Manhattan (4.1 percent) and New York City (5.6 percent). The study area's disproportionately high percentage of Public Administration employment is due in large part to the presence of public sector employees within the Civic Center area, including workers in City Hall, the Jacob K. Javits Federal Building, and numerous court buildings.

The second largest economic sector in the study area is Professional, Scientific, and Technical Services with approximately 13.1 percent of total employment. Professional, Scientific, and Technical Services sector employers include legal services, with several law firms located near the Civic Center area, as well as accounting services, with several firms concentrated along Canal Street. The study area includes specialized design services as well, such as interior design firms

[13] Certain businesses may own the property on which they are located and would not be involuntarily displaced as defined under CEQR, because they would have to willingly enter an agreement to sell their property and relocate. However, to more fully evaluate businesses' contributions to the local economy and whether similar products and services would continue to be available, this direct business displacement analysis identifies and evaluates all potentially displaced businesses irrespective of ownership.

and architectural firms, commonly located along Charlton Street or Lafayette Street and Centre Street, respectively. In Manhattan and New York City, the Professional, Scientific, and Technical Services sector represented 14.6 and 9.3 percent of all employees.

Table 3-1
2018 Employment in 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	11	0.0%	202	0.0%	392	0.0%
Mining, Quarrying, and Oil and Gas Extraction	1	0.0%	16	0.0%	47	0.0%
Utilities	45	0.0%	6,699	0.3%	17,897	0.4%
Construction	5,105	2.5%	44,481	1.8%	156,540	3.5%
Manufacturing	2,749	1.3%	22,579	0.9%	69,968	1.6%
Wholesale Trade	4,436	2.1%	82,923	3.3%	145,569	3.2%
Retail Trade	18,656	9.0%	158,595	6.3%	353,993	7.9%
Transportation and Warehousing	1,388	0.7%	20,073	0.8%	184,047	4.1%
Information	20,666	10.0%	206,571	8.2%	232,129	5.2%
Finance and Insurance	6,606	3.2%	293,133	11.7%	328,890	7.3%
Real Estate and Rental and Leasing	3,460	1.7%	89,136	3.6%	139,085	3.1%
Professional, Scientific, and Technical Services	27,108	13.1%	365,806	14.6%	419,115	9.3%
Management of Companies and Enterprises	4,129	2.0%	68,538	2.7%	76,217	1.7%
Administration and Support, Waste Management and Remediation	5,882	2.8%	189,584	7.6%	275,137	6.1%
Educational Services	16,403	7.9%	168,423	6.7%	392,542	8.7%
Health Care and Social Assistance	18,592	9.0%	268,873	10.7%	812,601	18.1%
Arts, Entertainment, and Recreation	3,456	1.7%	74,821	3.0%	97,453	2.2%
Accommodation and Food Services	24,674	11.9%	235,459	9.4%	367,026	8.2%
Other Services (excluding Public Administration)	7,553	3.7%	108,188	4.3%	180,283	4.0%
Public Administration	35,911	17.4%	103,949	4.1%	250,958	5.6%
Total	**206,831**	**100%**	**2,508,049**	**100%**	**4,499,889**	**100%**
Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics 2018.						

The third largest economic sector in the study area is Accommodation and Food Services, representing approximately 11.9 percent of total employment. Accommodation sector employers in the study area include boutique hotels, such as Sohotel and citizenM New York Bowery Hotel, along Bowery between Spring Street and Canal Street. Some other hotel franchises concentrate within Greenwich Village, such as Hotel Hugo, Arlo Hotel, Courtyard by Marriott, and Four Points by Sheraton. Food Services sector business, such as restaurants and bars, are located throughout the study area, with concentrations in the primary retail corridors along West Houston Street, West Broadway, and Lafayette Street. MacDougal Street between 4th Street and Bleecker Street has a vibrant restaurant and bar scene, due in large part to the close proximity to the NYU Campus. Lafayette Street, running between SoHo and NoHo, is home to a range of restaurants and eateries in the area. Clusters of cafés, bars, and restaurants are located along Kenmare Street and Prince Street just west of West Broadway. Since the COVID-19 pandemic, nearly 45 percent of SoHo/NoHo restaurants have joined the Open Restaurant permit program to provide outdoor dining options and continue to operate during the COVID-19 pandemic.[14] In Manhattan and New York City, the Accommodation and Food Services sector represented 9.4 and 8.2 percent of all employees, respectively.

[14] NYC Department of Planning. “Retail Activity in NYC: COVID Recovery across 24 Neighborhoods.” New York: NYC Department of Planning, September 2020. https://www1.nyc.gov/assets/planning/download/pdf/planning-level/housing-economy/retail-activity-nyc-covid-recovery.pdf. Accessed March 25, 2021.

The fourth largest economic sector in the study area is Information, representing approximately 10.0 percent of total employment. The Information sector in the study area largely includes publishing companies, both traditional and online, broadcasting studios, motion picture and sound recording studios, and telecommunications and data processing firms. Several recording studios and major radio stations, like iHeartRadio, SiriusXM, and WKTU are located along Broadway or just south of Canal Street in the study area. Filming and video production services are located in Tribeca and on Houston Street. Several publishing companies are concentrated in the northern and western sections of the study area within Greenwich Village and NoHo, including Billboard, Workman Publishing Company, and Penguin Young Readers. In Manhattan and New York City, the Information sector represented 8.2 and 5.2 percent of all employees, respectively.

The next largest economic sectors in the study area are Retail Trade and Health Care and Social Assistance, with each sector representing approximately 9.0 percent of total employment. Retail uses are located all throughout the study area, despite the existing zoning, and the SoHo/NoHo neighborhoods are the second highest grossing retail market in New York City in recent years.[15] Primary retail corridors are along Broadway, Prince Street, Spring Street, and Bowery. The area is known for its variety of retail shops, ranging from high-end designers to one-of-a-kind retailers and bargain emporiums. Spring Street and other side streets in the area contain boutique shops and flagship storefronts, while Broadway—being a major arterial street between SoHo and NoHo—has big box stores such as Bloomingdales, TJ Maxx, and Best Buy. Bowery contains a strip of jewelers and restaurant supply stores between East Houston Street and Canal Street. The COVID-19 pandemic has affected the retail environment in the SoHo/NoHo neighborhoods and the study area. Specifically, a DCP Retail Activity study conducted in July 2020 showed SoHo/NoHo and Canal Street have had some of the largest changes in inactive storefronts compared to 2018. These corridors are largely dependent on tourism and commuting, and have been heavily impacted by the pandemic, with only 46 percent of SoHo/NoHo storefronts listed as presently active.[16] The Retail Trade sector makes up 6.3 percent and 7.9 percent of Manhattan and NYC employment, respectively.

Prominent Health Care and Social Assistance employers located within the study area include SoHo Health, CityMD NoHo, Maiden Lane, Planned Parenthood, NYU Langone and NYC Health + Hospitals. Health care and social assistance centers tend to concentrate along Broadway and near Canal Street. The study area also contains part of NYU's campus, including the Student Health Center and one of the NYU Langone Medical Associates' buildings. Additionally, there are several hospitals in the area, such as Mount Sinai St. Luke's Breast Cancer hospital and Weill Cornell Medicine Primary Care in Tribeca. Several oncology and cardiology facilities are situated just south of Canal Street within Chinatown. Health Care and Social Assistance makes up 10.7 percent of Manhattan's employees, and is the largest sector of employment in New York City as a whole, at 18.1 percent.

---

[15] NYC Department of Planning. "SoHo/NoHo Neighborhood Plan Draft Scope of Work for an Environmental Impact Statement." Draft Scope of Work. New York: NYC Department of Planning, October 28, 2020. https://www1.nyc.gov/assets/planning/download/pdf/applicants/env-review/soho-noho/soho-noho-draft-scope-work.pdf. Accessed March 25, 2021.

[16] NYC Department of Planning. "Retail Activity in NYC: COVID Recovery across 24 Neighborhoods." New York: NYC Department of Planning, September 2020. https://www1.nyc.gov/assets/planning/download/pdf/planning-level/housing-economy/retail-activity-nyc-covid-recovery.pdf. Accessed March 25, 2021.

PROFILE OF POTENTIALLY DISPLACED BUSINESSES

New York City's commercial streets are dynamic, with businesses regularly opening and closing in response to changes in the economy, local demographics, and consumer trends. Therefore, through 2031, it is possible that a number of the potentially displaced businesses identified below would close or relocate for reasons independent of the Proposed Actions. The following estimates are based on current businesses, and the conservative assumption that these businesses would remain in the No Action condition. In addition, due to the COVID-19 pandemic, some businesses in the area may have closed permanently and retenanting of their space in the future by other businesses is not accounted for in this analysis.

As shown in **Table 3-2**, under the RWCDS an estimated 590 employees in 57 businesses could be directly displaced by the Proposed Actions. These businesses, located on the projected development sites, span a range of industry sectors. The industry sector with the largest number of potentially displaced employees is Accommodation and Food Services, with an estimated 118 displaced employees. The potentially displaced Accommodation and Food Services sector businesses include at least 10 restaurant and food service establishments located at Projected Development Sites 1, 4, 5, 7, 9, 27, and 28, as well as a hotel—the Solita Hotel—on Projected Development Site 4.

Table 3-2
Businesses and Employment Potentially Displaced by the Proposed Actions

NAICS Category	Firms	Estimated Employment Displaced[1]	Estimated Employment in Study Area	Percent of Displaced Employment
Agriculture, Forestry, Fishing and Hunting	0	0	11	0.00%
Mining, Quarrying, and Oil and Gas Extraction	0	0	1	0.00%
Utilities	0	0	45	0.00%
Construction	0	0	5,105	0.00%
Manufacturing	0	0	2,749	0.11%
Wholesale Trade	0	0	4,436	0.00%
Retail Trade	14	84	18,656	0.45%
Transportation and Warehousing	0	0	1,388	0.00%
Information	2	44	20,666	0.21%
Finance and Insurance	4	76	6,606	1.15%
Real Estate and Rental and Leasing	4	30	3,460	0.85%
Professional, Scientific, and Technical Services	5	96	27,108	0.35%
Management of Companies and Enterprises	3	45	4,129	1.09%
Administrative and Support and Waste Management and Remediation Services	0	0	5,882	0.00%
Educational Services	0	0	16,403	0.00%
Health Care and Social Assistance	1	13	18,592	0.07%
Arts, Entertainment, and Recreation	2	21	3,456	0.61%
Accommodation and Food Services	11	118	24,674	0.48%
Other Services (except Public Administration)	11	63	7,553	0.83%
Public Administration	0	0	35,911	0.00%
Total	**57**	**590**	**206,831**	**0.28%**

Note:
1. Employment estimates are based on AKRF field observations and standard industry employment density ratios commonly used for CEQR analysis. Information on business tenants in the office space on Projected Development Site 9 was not available and therefore this analysis conservatively assumes full occupancy of the existing office space with a mix of tenants in the office-based NAICS categories (i.e., Information, Finance and Insurance, Real Estate and Rental and Leasing, Professional, Scientific, and Technical Services, and Management of Companies and Enterprises).

Sources: AKRF, Inc.; study area employment estimates from U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics 2018.

The industry sector with the largest number of potentially displaced firms is Retail Trade with 14 potentially displaced firms. The potentially displaced firms include retail businesses that consist of various clothing and apparel shops (Projected Development Sites 1, 3, 5, 15, and 31), jewelry stores (Projected Development Sites 9 and 27), a pharmacy (Projected Development Site 9), a floral shop (Projected Development Site 14), and miscellaneous gift shops, markets, and smoke shops (Projected Development Sites 6, 7, and 8). Specific businesses that would be displaced include clothing retailers like Cote A Coast, Alternative Apparel, and Aerie, as well as a Centre Care Pharmacy.

The sector with the second largest number of potentially displaced employees is Professional, Scientific, and Technical Services, with an estimated 96 displaced employees. The potentially displaced Professional, Scientific, and Technical Services sector businesses include Radicle Insights, an online market research firm (Projected Development Site 27); Mythology, a creative advertising firm; and two interior design companies: Fresco Decorative Arts and Roman and Williams (Projected Development Site 30).

CEQR PRELIMINARY ASSESSMENT CRITERIA

According to the *CEQR Technical Manual*, the following threshold indicators are considered to determine the potential for significant adverse impacts due to direct business displacement.

1. Do the businesses to be displaced provide products or services essential to the local economy that would no longer be available in their "trade areas" to local residents or businesses due to the difficulty of either relocating the businesses or establishing new, comparable businesses?

As noted above, it is possible that a number of the potentially displaced businesses would close or relocate for reasons independent of the Proposed Actions. It is also possible that not all businesses projected to be displaced would be able to relocate to other space. Businesses that would wish to continue to operate may have to choose to relocate outside of the neighborhood, Manhattan, or even the City. Generally, those businesses with more stringent location and space constraints would be less likely to find comparable, suitable nearby space. For example, those businesses that can operate out of a 5,000-sf storefront would find it easier to locate to new space than a business that needs a 50,000-sf space.

The following sections detail the industry sectors within which displacement could occur, and the potential effects on socioeconomic conditions in the study area. The sections below discuss each sector with potential displacement as identified in **Table 3-2** above.

Retail Trade

There are 14 potentially displaced Retail Trade sector businesses employing an estimated 84 private employees. The potentially displaced firms include Cote A Coast (Projected Development Site 1); Save Khaki United (Project Development Site 3); Accustom Apparel (Projected Development Site 5); Tribeca Finest Marketplace and an electronic store (Projected Development Site 6); a smoke shop (Projected Development Site 7); gift shops and jewelry stores (Projected Development Site 8); Centre Care Pharmacy and New Top Jewelry (Projected Development Site 9); Adore Floral (Projected Development Site 14); Alternative Apparel (Projected Development Site 15); East Canal Jewelry (Projected Development Site 27); and an Aerie's storefront (Projected Development Site 31). The potentially displaced businesses represent 0.45 percent of employment within the Retail Trade sector in the study area.

The potentially displaced businesses and associated employment do not represent a majority of study area retail businesses or employment. Comparable products and employment opportunities would still be available within the study area and Manhattan. For example, other clothing retailers are found across Manhattan in abundance, with particular concentrations along Fifth Avenue, Broadway, and Madison Avenue. In the Flatiron District, just north of the Project Area, the Fifth Avenue corridor is a major locale for retailers, including Nike, Ann Taylor, Theory, and Club Monaco. Other jeweler shops located in or near the Project Area include Bowery near Chinatown, as well as outside the study area in Manhattan's Garment District between Fifth and Sixth Avenues.

Further, as noted in Chapter 1, "Project Description," if the Proposed Actions are approved, there would be an incremental increase of new commercial (retail) space. Displacement would occur over a long time period as projected development sites are constructed and it is expected that the commercial space provided as part of the Proposed Actions would include retail stores.

Information

There are two potentially displaced Information sector businesses, one of which is a video editing service employing an estimated 20 people on Projected Development Site 30 and the other is estimated employment on Projected Development Site 9. The potentially displaced businesses represents approximately 0.21 percent of employment within the Information sector in the study area.

There are over 20,000 Information sector jobs in the study area and over 200,000 in Manhattan, including businesses that offer similar services, such as Jump Film Editing and Power Image Workshop on Broadway, and dozens of other video editing services across Manhattan.

Finance and Insurance

There are four potentially displaced Finance and Insurance service businesses located on the projected development sites, employing an estimated 76 people. The Finance and Insurance sector businesses include Eastbank Bank, Santander Bank (Projected Development Site 9), and Chase Bank (Projected Development Site 27). The potentially displaced jobs represents approximately 1.15 percent of the Finance and Insurance sector's employment in the Project Area.

Eastbank Bank provides banking services to the Chinatown community and the surrounding area. Its only other location is in Flushing, and therefore the bank may have unique locational requirements tied to the surrounding community. However, the retail space it occupies is not unique to the Project Area, and it is expected that it could relocate to comparable retail space within its trade area. Furthermore, the bank may own its retail space and, in that case, would not be subject to involuntary displacement.

Santander Bank and Chase Bank have multiple locations throughout Manhattan, and the potential displacement of these two locations would not have an adverse impact on the study area, or the firms, as they are not unique to these specific locations. There are over 6,600 Finance and Insurance jobs in the study area and over 290,000 in Manhattan. Comparable products and employment opportunities would still be available within the study area and Manhattan, including Flushing Bank, situated two blocks away from Eastbank, and several other Chase Bank facilities in and around the Project Area.

Further, as noted in Chapter 1, "Project Description," if the Proposed Actions are approved, there would be an incremental increase of new commercial (retail) space. It is expected that the commercial space provided as part of the Proposed Actions could accommodate new retail bank locations in the future.

Real Estate and Rental and Leasing

There are four potentially displaced Real Estate and Rental and Leasing businesses located on the projected development sites, employing an estimated 30 people. The Real Estate and Rental and Leasing sector businesses include 321 Lafayette Realty (Projected Development Site 3), a WeWork (Projected Development Site 31), and Davinci Meeting Rooms (a meeting planning service) (Projected Development Site 32). The potentially displaced jobs represent approximately 0.87 percent of the Real Estate and Rental and Leasing sector's employment.

There are over 3,000 Real Estate and Rental and Leasing sector jobs in the study area and over 89,000 in Manhattan, including businesses that offer similar services, such as Douglas Elliman Real Estate, Elika Real Estate, HomeDax Real Estate, and other shared workspace locations, such as WeWork and similar businesses, in the Project Area as well as Manhattan at large.

Professional, Scientific, and Technical Services

There are five potentially displaced Professional, Scientific, and Technical Services sector businesses employing an estimated 96 people on the projected development sites. The Professional, Scientific, and Technical Services sector businesses include an internet startup support company (Projected Development Site 27), Mythology (creative advertising firm), Fresco Decorative Painting (interior design showroom), and Roman and Williams (interior design) (Projected Development Site 30). The potentially displaced businesses represent approximately 0.35 percent of employment within the Professional, Scientific, and Technical Services sector in the study area.

With over 27,000 Professional, Scientific, and Technical Services jobs in the study area and over 365,000 jobs in Manhattan, there are alternative and comparable businesses that provide similar services as the displaced businesses, as well as alternative places for employment of the potentially displaced employees working in the sector. There are several other interior design agencies within the study area, such as Damon Liss Inc in Tribeca, and Sawyer & Company, Interim Design, and Sygrove Associates Design Group on Broadway. In addition, the displaced Professional, Scientific, and Technical Services businesses tend to serve large, regional trade areas and are not essential to the local economy of the study area. These businesses generally locate in commercial office space and, given the abundance of such space in Manhattan, these businesses are also expected to be able to relocate.

Management of Companies and Enterprises

There are three potentially displaced businesses in the Management of Companies and Enterprises sector located on the projected development sites, employing an estimated 45 people. The Management of Companies and Enterprises businesses include Radicle Insights (online market research firm) (Projected Development Site 27), and DevaCurls Headquarters (Projected Development Site 31). The potentially displaced business represents approximately 1.09 percent of the Management of Companies and Enterprises sector's employment in the study area.

There are more than 68,000 jobs within the Management of Companies and Enterprises sector in Manhattan, and over 4,000 within the study area. These businesses generally locate in commercial office space and, given the abundance of such space in Manhattan, these businesses are expected to be able to relocate.

Health Care and Social Assistance

There is one potentially displaced business in the Health Care and Social Assistance industry sector, SoHo Vascular Surgery, located on Projected Development Site 25, employing an estimated 13 people. The potentially displaced business represents approximately 0.07 percent of the Health Care and Social Assistance sector's employment in the study area.

There are more than 18,500 jobs in the Health Care and Social Assistance sector within the study area, and well over 250,000 jobs in Manhattan. There are three other vascular surgery clinics within a half-mile radius of the potentially displaced facility. In addition, it is expected that vascular surgery clinics serve large, regional trade areas, and people seeking these services would look beyond the study area. Therefore, similar services would continue to be available to the study area.

Arts, Entertainment, and Recreation

There are two potentially displaced Arts, Entertainment, and Recreation sector businesses within the study area employing an estimated 21 people. The existing Arts, Entertainment, and Recreation sector businesses are a physical fitness studio, Box + Flow (Projected Development Site 28), and Lindsey Adelman Studio, a lighting design and artistry studio (Projected Development Site 30). The potentially displaced businesses represent approximately 0.61 percent of the Arts, Entertainment, and Recreation sector's employment in the study area. There are numerous other fitness studios in Manhattan and New York City, and many other art studios and galleries in the study area and surrounding areas, such as Lustyk Art Studio & Gallery on Broadway and Jane Nelson Studio on Howard Street. If the Proposed Actions are approved, there would be an incremental increase of new retail space, where potentially displaced firms could relocate or where new businesses and employment opportunities could locate.

Accommodation and Food Services

There are eleven potentially displaced Accommodation and Food Service sector businesses within the study area employing an estimated 118 employees. The existing Accommodation and Food Service businesses are Sage Kitchen, The Bowery Mark (food court), and Jones Restaurant (Projected Development Site 1); Solita Hotel and Starbucks (Projected Development Site 4); Sola Pasta Bar (Projected Development Site 5); 99 Cent Fresh Pizza (Projected Development Site 7); Starbucks (Projected Development Site 9); Chikarashi Japanese Restaurant (Projected Development Site 27); and Morini Restaurant (Projected Development Site 28). The potentially displaced businesses represent approximately 0.48 percent of sector employment in the study area, and there are numerous other accommodation and food service sector businesses in the study area and throughout Manhattan. If the Proposed Actions are approved, there would be an incremental increase of new retail space, where potentially displaced firms could relocate or where new businesses and employment opportunities could locate.

Other Services (except Public Administration)

There are 11 "Other Services (except Public Administration)" businesses within the study area, including five parking lots, two tattoo shops, two beauty spas, and two hair salons. Together, these businesses employ an estimated 63 people. Of the "Other Services" employees and businesses in Manhattan, the potentially displaced businesses represent 0.83 percent of existing sector employees, respectively. There are a substantial number of other parking facilities, hair and beauty salons, and tattoo shops in and near the study area and throughout Manhattan, as well as alternative places for employment for potentially displaced private employees working in the sector. These businesses are not a defining characteristic of the study area. Similar parking facilities are located in the study area and include other Edison ParkFasts and several Icon Parking garages.

Summary

In summary, the 57 potentially displaced businesses and 590 potentially directly displaced employees do not represent a majority of study area businesses or employment for any given sector. While all businesses contribute to neighborhood character and provide value to the City's economy, because there are alternative sources of goods, services, and employment provided within the socioeconomic study area, potentially displaced business do not constitute a significant adverse impact on the socioeconomic conditions as defined by CEQR.

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

Under the RWCDS, the Proposed Actions could directly displace 57 businesses. As discussed above, these businesses do not represent a majority of study area businesses or employment for any given sector and there are alternative sources of their goods and services within the study area, Manhattan, and New York City. None of the potentially displaced businesses are within a category of business that is the subject of regulations or publicly adopted plans to preserve, enhance, or otherwise protect it.

Based on the above analysis, according to *CEQR Technical Manual* impact thresholds, the Proposed Actions would not result in significant adverse impacts due to direct business displacement. The businesses directly displaced by the Proposed Actions do not provide products or services essential to the local economy that would no longer be available in the study area. Further, there is no category of business that may be directly displaced that is the subject of regulations or plans to preserve, enhance, or otherwise protect it.

INDIRECT RESIDENTIAL DISPLACEMENT

As described in the *CEQR Technical Manual*, indirect residential displacement usually results from substantial new development that is markedly different from existing uses and activity in an area, which can lead to increased property values in the area. Increased property values can lead to 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 units unprotected by rent control, rent stabilization, or other government regulations restricting rents, and whose incomes or poverty status indicate that they may not support substantial rent increases. Residents who are homeowners or who are renters living in rent-restricted units would not be vulnerable to rent pressures.

As discussed in Chapter 1, "Project Description," Soho/Noho has unique JLWQA regulations under the existing M1-5A and M1-5B zoning. The JLWQA use, created in connection with the 1971 rezoning of SoHo, allows for spaces in nonresidential buildings to be used for living quarters and workspaces by artists and their households. The JLWQA use created under the 1971 zoning is classified as Use Group 17. JLWQA use requires occupants to be certified working artist to qualify based on the definition of artist in the MDL. Due to subsequent changes in regulations and other factors, JLWQA units are no longer solely occupied by artists.

In the early 1980s, the City and State introduced zoning and legislative changes to regulate the conversion of non-residential loft buildings after recognizing a growing trend of illegal residential loft conversions. The MDL was amended by the enactment of Article 7C (also known as the "Loft Law"), which enabled the creation of IMDs, a temporary legal status conferred upon commercial or manufacturing buildings occupied by three or more families with the ultimate expectation that such buildings be upgraded as permanent housing, and established the New York City Loft Board to regulate such conversions to residential use. Article 7C provided that residential conversions were only permitted in areas where zoning allowed residential use as-of-right, which effectively excluded IMDs in SoHo/NoHo. In 1987, Article 7C was amended to allow IMDs in zoning districts where residential use was not permitted as-of-right, opening the doors for non-artist residents in SoHo and NoHo to seek Loft Law coverage. Subsequent Loft Law amendments extended filing windows and eligibility for coverage. Units converted to residential use under Loft Law are subject to rent stabilization.

The City later granted amnesties for non-artist residents in SoHo/NoHo JLWQAs, noting that these units could be legalized as JLWQA and occupied by non-artists. In addition, units could be occupied by non-artists due to familial successions of JLWQA by non-artists, sales and leasing of units to non-artists, as well as Use Group 2 residential conversions.

Today, while certified-artist-occupied JLWQA largely remains the sole as-of-right quasi-residential use (Use Group 17D, not Use Group 2), only about 30 percent of all SoHo/NoHo homes are still listed as JLWQA use on certificates of occupancy. In addition, there has been a steady decline in the number of artist certifications by the DCLA from hundreds annually in the '70s and '80s to one in recent years. These recent trends coincide with the emergence of other dynamic and attractive artist communities across New York City.

As noted in Chapter 1, "Project Description," the Proposed Actions would continue to permit JLWQA use and live-work arrangements that already exist in the Project Area and establish a voluntary option to transition JLWQA to regular residential use with conditions that more broadly benefit the arts and creative industries. Therefore, an assessment of indirect residential displacement of JLWQA units separate from the general assessment below is not warranted.

The *CEQR Technical Manual's* step-by-step guide for a preliminary assessment of indirect residential displacement is presented in bold italics below.

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

EXISTING CONDITIONS AND TRENDS

Household Incomes

Household income characteristics for the study area population are described using the average and median household incomes. The average household income is calculated by dividing the aggregate income by the total number of households in the study areas. The presence of high-income households raises the average income, sometimes substantially higher than the median household incomes in the study area. The median household income represents an estimate of the mid-point of all household incomes in the study area.

As shown in **Table 3-3**, the estimated average annual household income in the study area is $191,964 which is nearly $35,000 higher than that of Manhattan overall ($157,156), and over $90,000 higher than that of New York City overall ($100,958). Average income in the study area has increased since 2010, as did average household incomes in Manhattan (7.4 percent growth) and New York City (8.6 percent). The estimated median household income in the study area ($102,204) is nearly over $15,000 higher than that of Manhattan ($85,367) and nearly twice that of New York City ($62,905). Median household incomes in the study area and comparison geographies follow similar trends as average household incomes.

Table 3-3
Household Income Characteristics (2006-2010, 2014-2018 ACS)

Area	Average Household Income			Median Household Income		
	2006–2010 ACS[1]	2014–2018 ACS[1]	Change or Direction of Change[2]	2006–2010 ACS[1]	2014–2018 ACS[1]	Change or Direction of Change[2]
Socioeconomic Study Area	**$158,693**	**$191,964**	**Increase**	**$84,402**	**$102,070**	**Increase**
Subarea A	$110,336	$127,590	--[3]	$67,961	$71,282	--[3]
Subarea B	$89,863	$114,032	Increase	$48,057	$63,976	Increase
Subarea C	$343,303	$388,595	--[3]	$172,583	$203,910	--[3]
Subarea D	$200,856	$244,317	Increase	$112,574	$124,779	--[3]
Subarea E	$164,353	$204,307	Increase	$104,394	$123,807	--[3]
Subarea F	$233,802	$258,259	--[3]	$143,482	$167,795	--[3]
Manhattan	**$146,324**	**$157,156**	**+7.4%**	**$77,531**	**$85,255**	**+10.0%**
New York City	**$92,956**	**$100,958**	**+8.6%**	**$60,006**	**$62,822**	**+4.7%**

Notes:
1. All dollar figures have been adjusted to 2020 dollars based on the U.S. Department of Labor Consumer Price Index for all urban consumers in the New York-Newark-Jersey City, NY-NJ-PA region.
2. If the MOE of the difference between 2006-2010 and 2014-2018 ACS data is greater than the difference, a change cannot be reported with confidence; if the MOE of the difference is greater than one third of the difference, a change cannot be estimated with confidence and only the direction of the change can be reported (i.e. Increase/Decrease).
3. The MOE for this data point is more than one-third of the value, and therefore this data is not statistically reliable.

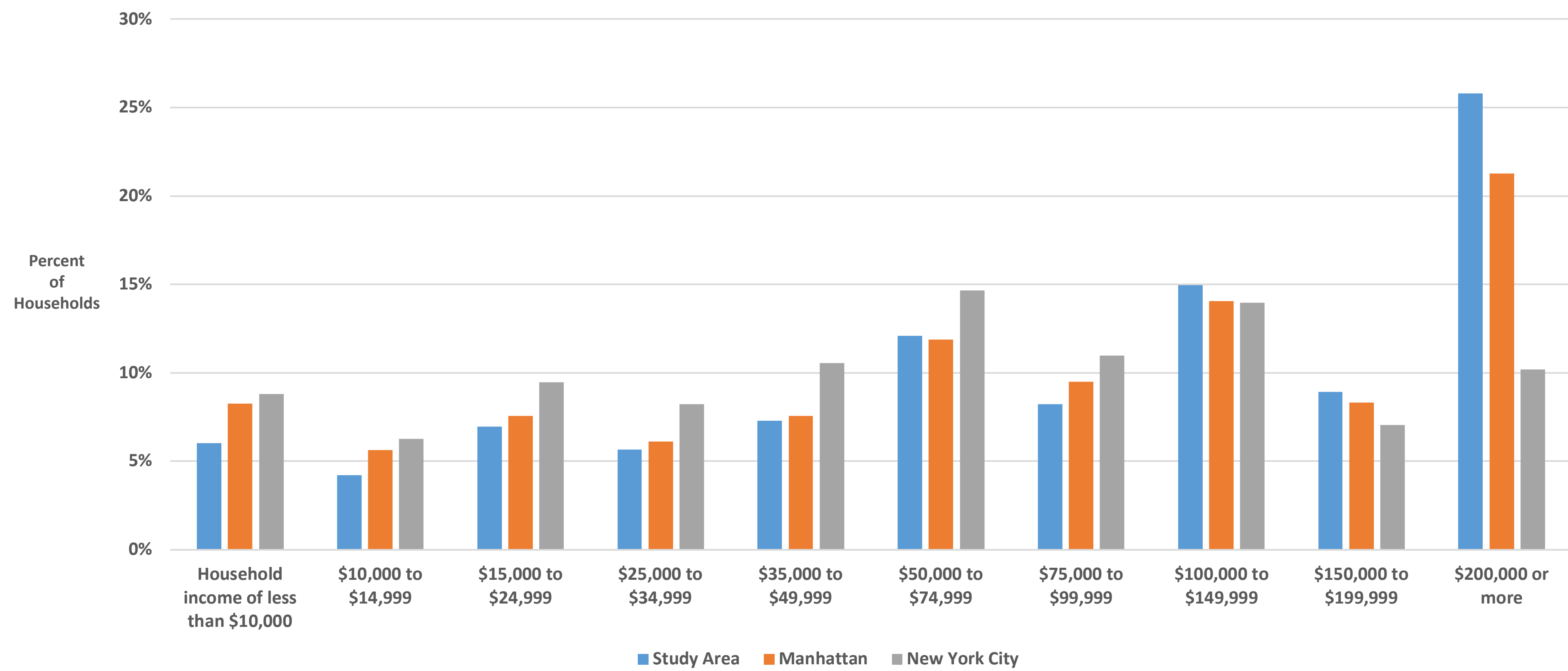
Sources: U.S. Census Bureau, 2006-2010 and 2014-2018 ACS 5-Year Estimates via DCP's NYC Population FactFinder and Social Explorer.

As shown in **Table 3-3**, there are some variations in income by subarea. Subareas A and B, which include portions of the East Village, Little Italy, and Chinatown, have lower average and median household incomes compared to the study area and Manhattan as a whole. All other subareas have average household incomes above $200,000 and median incomes above $100,000, well above Manhattan and City benchmarks.

Figure 3-3 presents the study area's household income distribution.[17] Relative to Manhattan and New York City, the study area has fewer percentages of household within lower income brackets. The study area has a disproportionately high number of households within incomes exceeding $200,000.

As detailed below, market-rate rents in the study area are currently above what's affordable to lower-income residents. Some lower-income residents live in owner-occupied housing purchased many years ago. The ability of lower-income renters to reside in the study area is largely due to the presence of rent-protected housing, including low-income housing and rent stabilized units. **Table 3-4** presents estimates of the numbers of study area DUs located in buildings with some

[17] Household income distribution by subarea could not be reported due to the margin of error associated with income estimates at the smaller geographic level.



Source: U.S. Census 2014-2018 ACS

Household Income Distribution

Figure 3-3

form of rent protection based on Furman Center CoreData (June 2018), as well as HCR's 2018 rent-stabilized building list. CoreData provides a database of residential buildings that have received some form of government subsidy from the City, state, or federal government. CoreData identifies buildings on 55 tax lots that received some form of government subsidy. MapPLUTO data indicates that an estimated 4,102 of the study area's 42,171 housing units are in these buildings. While this is the best estimate available, not all units identified as receiving government subsidy are necessarily available to low-income residents as defined by HUD (households with a household income of 80 percent AMI or lower). In the detailed assessment, these estimates are further refined to estimate the number of units reserved for low-income households. In addition to those buildings identified by the CoreData, there are 22,434 units in buildings subject to the Emergency Tenant Protection Act (ETPA) in the study area according to HCR and therefore contain one or more rent stabilized units, with a particular concentration in the eastern portion of the study area.

Table 3-4
Potential Rent-Protected Units in Study Area

	Total DUs	DUs in CoreData Buildings[1]	DUs in HCR Buildings[2]	Potentially Rent-Protected Units[3]
Socioeconomic Study Area	**42,171**	**4,102**	**22,434**	**26,536**
Subarea A	10,366	1,717	5,863	7,580
Subarea B	8,859	348	5,741	6,089
Subarea C	3,740	1,145	209	1,354
Subarea D	6,962	544	2,764	3,308
Subarea E	9,281	215	6,435	6,650
Subarea F	2,963	133[4]	1,422	1,555

Notes:
1. While this is the best estimate available, not all units identified as receiving government subsidy are necessarily available to low-income residents as defined by HUD. In the detailed assessment, these estimates are further refined to estimate the number of units reserved for low-income households.
2. Excludes buildings identified in CoreData
3. Coop and condominium buildings are excluded from the data in this table. Total unit count is based on total units in buildings with at least one rent-protected unit. Some units in rent stabilized buildings may have been taken out of stabilization.
4. 2 Cooper Square is identified on CoreData as receiving a 10-year 421-a tax exemption. There is no affordability requirement associated with this property, however, all market-rate rental units become subject to rent stabilization for the duration of the benefits.
Sources: Furman Center CoreData (June 2018), HCR's 2018 rent-stabilized building list, MapPLUTO 21v1. These sources do not account for units made affordable through independent agreements not captured through these data mechanisms.

Study Area Residential Rents

Residential rents have increased in the study area since 2010, and are higher than for Manhattan and New York City overall (see **Table 3-5**). Subarea B is the only subarea with gross rents below Manhattan's average and median. Manhattan experienced nearly 10 percent growth in average gross rent and an 18.1 percent growth in median gross rent. Within Subareas B and E, rents have increased, as have incomes since 2010.[18]

[18] For Subareas A, C, D, and F, the margin of error for rents exceeds the difference, so changes since 2010 cannot be reported.

U.S. Census and ACS data do not provide specific rent information according to regulation status or unit size, but instead can paint a general picture about the rate at which housing costs are changing in a neighborhood. Market comparables were therefore used (below) to provide a fuller understanding of where the market is today. **Table 3-6** summarizes online listings for apartments for the study area as a whole and for Subareas A through F. The average rents presented in the table were calculated based on market-rate rental units, and are higher than the data presented by the 2014–2018 ACS.

Table 3-5
Average and Median Gross Rents

Area	2006-2010 ACS		2014–2018 ACS		Change or Percent Change	
	Average[1]	Median[1]	Average[1]	Median[1]	Average	Median[3]
Socioeconomic Study Area	**$1,894**	**$1,800**	**$2,088**	**$2,153**	**Increase**	**Increase**
Subarea A	$1,867	$1,720	$1,930	$2,027	--	--
Subarea B	$1,408	$1,070	$1,665	$1,358	Increase	Increase
Subarea C	$2,605	$2,388	$2,670	$3,154	--	--
Subarea D	$2,049	$2,051	$2,135	$2,325	--	--
Subarea E	$1,889	$1,973	$2,345	$2,371	Increase	Increase
Subarea F	$3,052	$2,388	$3,044	$3,403	--	--
Manhattan	**$1,697**	**$1,472**	**$1,864**	**$1,739**	**9.9%**	**18.1%**
New York City	**$1,366**	**$1,278**	**$1,520**	**$1,443**	**11.3%**	**12.9%**

Notes:
1. All dollar figures have been adjusted to 2020 dollars based on the U.S. Department of Labor Consumer Price Index for all urban consumers in the New York-Newark-Jersey City, NY-NJ-PA region.
2. If the MOE of the difference between 2006-2010 and 2014-2018 ACS data is greater than the difference, a change cannot be reported with confidence; if the MOE of the difference is greater than one third of the difference, a 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 via Social Explorer and DCP's NYC Population FactFinder.

Table 3-6
Average and Median Market Rents in the Study Area

	Studio		1BR		2BR		3BR or more	
	Average	Median	Average	Median	Average	Median	Average	Median
Socioeconomic Study Area	$2,673	$2,550	$3,667	$3,200	$5,109	$3,800	$8,271	$5,995
Subarea A	$2,292	$2,132	$3,090	$2,795	$3,356	$2,950	$5,469	$4,500
Subarea B	$2,095	$1,800	$2,588	$2,400	$3,307	$2,995	$4,935	$4,425
Subarea C	$3,281	$3,295	$5,149	$5,050	$8,004	$7,900	$13,503	$11,500
Subarea D	$2,958	$2,500	$4,006	$3,350	$6,993	$6,500	$9,203	$7,195
Subarea E	$2,624	$2,695	$3,674	$3,495	$4,257	$3,795	$7,708	$5,725
Subarea F	$2,893	$2,976	$4,188	$3,802	$6,692	$5,825	$15,009	$15,448

Source: StreetEasy (http://streeteasy.com) accessed in March 2021 based on sampling of 200 active or recent listings per census tract within the study area.

NO ACTION CONDITION

In the future without the Proposed Actions (the No Action condition), it is anticipated that the existing trends of increasing rents and increasing household income in the study area would continue. In the No Action condition, Mandatory Inclusionary Housing (MIH) would not be mapped in the Project Area.

Four sites in the Project Area are expected to be developed irrespective of the Proposed Actions in the No Action condition (see Figure 2-8 and Table 2-8 in Chapter 2, "Land Use, Zoning, and Public Policy"). These planned developments, currently under construction or proposed to be developed by the 2031 analysis year, are expected to introduce up to 91 new residents and 256 new workers by 2031.

Within Subarea D, a 34,539-gross-square-foot (gsf) office conversion and enlargement is planned at 32 Howard Street, located at the intersection of Crosby and Howard Streets, and new construction is planned at 11 Greene Street, located at the intersection of Greene and Canal Streets. The proposed building will feature 36 DUs and 12,987 gsf of retail floor area. A new 16,228-gsf office building is planned at 74 Grand Street, located near the intersection of Wooster and Grand Streets. A mixed-use building is also planned at 68 Spring Street, located near the intersection of Spring and Lafayette Streets, with 12 DUs and 4,506 gsf of floor area.

Based on DOB permit data from the DCP Housing Database, currently there are active permits for 1,156 DUs in the study area; these planned units would introduce an estimated 2,156 additional residents to the overall study area. Approximately 46 percent of the planned units will be in Subarea D, with a vast majority located in the Hudson Square neighborhood. The East Village and Lower East Side are also expected to experience notable growth in housing stock; Subareas A, B, and C will see an estimated 184, 231, and 195 new units, respectively. With the exception of NYU's expansion along Mercer Street, most of the planned development within the study area involves mixed-use residential and retail developments or office developments with retail on the lower floors.

WITH ACTION CONDITION

Under the RWCDS, by 2031 the Proposed Actions would result in an incremental increase in the number of market-rate and affordable DUs, due in large part to the application of the MIH program to the Project Area. The MIH program sets forth two primary options that are characterized by different affordability levels, which promote a range of affordable development. This socioeconomic analysis assumes Option 1.[19]

- **Option 1**: 25 percent of residential floor area would be set aside for households making up to 60 percent Area Median Income (AMI) on average, with 10 percent of that number set aside for households making up to 40 percent AMI.
- **Option 2**: 30 percent of residential floor area would be set aside for households making up to 80 percent AMI.

New York City AMIs and affordable monthly rents by AMI are shown in **Tables 3-7** and **3-8**. AMIs are calculated yearly by the U.S. Department of Housing and Urban Development (HUD). MIH rents would be determined based on the income limits in place at the time of project closing, and income limits would be determined by the AMIs effective at the time of project marketing.

On the projected development sites, a total of 1,858 DUs would be developed for an increment of 1,826 over the No Action condition. In total, the Proposed Actions would result in an increment of between 381 and 572 affordable DUs. This analysis assumes MIH Option 1, which would result in an increment of 474 affordable DUs.

[19] For the purposes of the socioeconomic analyses, Options 1 and 2 resulted in similar average incomes of the new population in the With Action condition. Option 1 resulted in a slightly higher average household and therefore was used for this analysis of the RWCDS.

Table 3-7
2021 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	$25,080	$33,440	$41,800	$50,160	$66,880	$83,600	$100,320	$108,680	$137,940
2	$28,650	$38,200	$47,750	$57,300	$76,400	$95,500	$114,600	$124,150	$157,575
3	$32,220	$42,960	$53,700	$64,440	$85,920	$107,400	$128,880	$139,620	$177,210
4	$35,790	$47,720	$59,650	$71,580	$95,440	$119,300	$143,160	$155,090	$196,845
5	$38,670	$51,560	$64,450	$77,340	$103,120	$128,900	$154,680	$167,570	$212,685

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

Table 3-8
2021 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	$419	$598	$777	$956	$1,314	$1,547	$2,084	$2,263	$2,889
1 BR	$532	$756	$980	$1,204	$1,651	$1,942	$2,614	$2,838	$3,621
2 BR	$631	$900	$1,168	$1,437	$1,974	$2,323	$3,129	$3,397	$4,337
3 BR	$722	$1,032	$1,343	$1,653	$2,273	$2,677	$3,608	$3,918	$5,004

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 of 27 percent, 37 percent, 47 percent, 57 percent, and 77 percent of AMI.
Source: U.S. Department of Housing and Urban Development (HUD)

Average Household Income of the With Action Population

Table 3-9 shows the estimated distribution of new market rate units and rents in the With Action condition by number of bedrooms. There would be a total of 1,352 incremental market-rate units on projected development sites in the With Action condition. Based on the existing mix of unit-types for renter-occupied housing in the study area, approximately 22.0 percent are assumed to be studios, 41.7 percent one-bedroom units, 25.6 percent two-bedroom units, and 10.7 percent would be three-or-more-bedroom units. The monthly rent assumptions are based on an average for market rate rents in the Project Area as reported by StreetEasy in February and March 2021.

Table 3-9
Market Rate Units by Number of Bedrooms

	Percent	Number	Monthly Rent Assumption
Studio	22.0%	297	$2,771
One Bedroom	41.7%	564	$4,026
Two Bedroom	25.6%	346	$7,930
Three bedrooms or larger	10.7%	145	$14,027
Total units proposed	**100%**	**1,352**	**$5,819**

Notes: Total DUs in the With Action condition is 1,826. Assuming MIH Option 1, of the 1,826 DUs, 474 would be affordable and 1,352 would be market rate. The monthly rent assumption for total units is a weighted average based on unit distribution.
Sources: Distribution of units by number of bedrooms is based on the distribution of number of bedrooms in rental units within the study area, sourced from the 2014-2018 ACS.

Table 3-10 shows the calculations used to estimate the average household income of the market rate units. Using the average monthly rent by bedrooms within the Project Area, the estimated household income for each type of unit was estimated, assuming that households spend 30 percent of their gross monthly income on rent. Then, the estimated annual incomes were multiplied by the number of units to determine the aggregate income for all the units. Finally, this aggregate was divided by the total number of market rate units to determine the average household income of the market rate units of $232,880.

Table 3-10
Weighted Average Income of With-Action Market-Rate Renters

Number of Bedrooms	Monthly Rent	Estimated Gross Monthly Income[1]	Estimated Gross Yearly income	Units	Aggregate Income by Number of Bedrooms (Yearly Income x Units)
Studio	$2,771	$9,237	$110,840	297	$32,919,480
One Bedroom	$4,026	$13,420	$161,040	564	$90,826,560
Two Bedroom	$7,930	$26,433	$317,200	346	$109,751,200
Three bedrooms or larger	$14,027	$46,757	$561,080	145	$81,356,600
Total				1,352	$314,853,840
Weighted Average Income of Market Rate Units (Aggregate Income ÷ Total Market Rate Units)					**$232,880**

Notes: Monthly income was estimated using the assumption that renters spend 30 percent of their gross monthly income on rent.
Sources: Monthly rent from Street Easy Listings, February and March 2021; Percent of units by number of bedrooms based on the distribution of number of bedrooms in rental units within the study area, sourced from 2014-2018 ACS.

In the With Action condition, approximately 25 percent of units on projected development sites would be affordable at 60 percent AMI ($57,300 for a family of 2). **Table 3-11** shows the average household income of both the affordable and market-rate units. The same methodology used in **Table 3-10** was used in **Table 3-11**. The average income of market rate units was multiplied by the total number of market rate units. The average income of affordable units was multiplied by the total number of affordable units. These two numbers were added together to determine the aggregate income for all the units. This aggregate income was divided by the total number of units to determine the average income for all units of $187,302.

Table 3-11
Weighted Average Income of Total With Action Population

	Income	Units	Aggregate Income (Income x Units)
Market rate	$232,880	1,352	$314,853,840
Affordable[1]	$57,300	474	$27,160,200
Total		1,826	$342,014,040
Weighted Average Income of the With Action Population (Aggregate Income ÷ Total Units)			**$187,302**

Note: 1. Affordable income is based on 60 percent AMI for a family of two (see **Table 3-8**).
Source: HUD

Study Area

In the With Action condition, the average household income of new residents would be less than the estimated average household income of existing residents in the study area. In the With Action scenario, the average household income of the incoming population would be approximately $187,302—approximately $5,000 less than the average household income of the existing study area population. However, the 2014-2018 ACS estimate of average household income of the existing population, has a margin of error of (+/-) $13,645, which is greater than the difference between the household incomes of the existing and future populations. In accordance with *CEQR*

Technical Manual guidelines, as the expected average income of the new population could be greater than the average income of the existing study area population as a whole, Step 2 of the preliminary indirect residential displacement assessment is warranted for the overall study area. The following sections consider whether further assessment is warranted specific to the subareas within the overall study area.

Subarea A

In the With Action condition, the average household income of the new population ($187,302) would be greater than the average household income of the existing population in Subarea A ($127,590). Therefore, in accordance with *CEQR Technical Manual* guidelines, Step 2 of the preliminary indirect residential displacement assessment is warranted for Subarea A.

Subarea B

In the With Action condition, the average household income of the new population ($187,302) would exceed the average household income of the existing population in Subarea B ($114,032). Therefore, in accordance with *CEQR Technical Manual* guidelines, Step 2 of the preliminary indirect residential displacement assessment is warranted for Subarea B.

Subarea C

In the With Action condition, the average household income of the new population would be less than the average household income of the Subarea C population. The average household income of the new population would be $187,302—approximately $201,000 less than the average household income of the existing population in Subarea C ($388,595). The 2014–2018 ACS estimate of average household income of the existing Subarea C population has a margin of error of (+/-) $94,881, which is less than the difference between the household incomes of the existing and future populations. As the expected average income of the new population would be less than the average income of the existing Subarea C population as a whole, no further analysis of Subarea C is warranted.

Subarea D

In the With Action condition, the average household income of the new population would be less than the average household income of the Subarea D population. The average household income of the new population would be $187,302—approximately $57,000 less than the average household income of the existing population in Subarea D ($244,317). The 2014–2018 ACS estimate of average household income of the existing Subarea D population has a margin of error of (+/-) $39,780, which is less than the difference between the household incomes of the existing and future populations. As the expected average income of the new population would be less than the average income of the existing Subarea D population as a whole, no further analysis of Subarea D is warranted.

Subarea E

In the With Action condition, the average household income of new residents would be comparable to the estimated average household income of existing residents in the Subarea E. In the With Action scenario, the average household income of the incoming population would be approximately $187,302—approximately $17,000 less than the average household income of the existing study area population. However, the 2014–2018 ACS estimate of average household income of the existing population has a margin of error of (+/-) $27,686, which is greater than the difference between the household incomes of the existing and future populations. In accordance with *CEQR Technical Manual* guidelines, as the expected average income of the new population could be greater than the average income of the existing Subarea E population as a whole, Step 2 of the preliminary indirect residential displacement assessment is warranted for Subarea E.

Subarea F

In the With Action condition, the average household income of the new population would be less than the average household income of the Subarea F population. The average household income of the new population would be $187,302—approximately $71,000 less than the average household income of the existing population in Subarea F ($258,259). The 2014–2018 ACS estimate of average household income of the existing Subarea F population has a margin of error of (+/-) $47,465, which is less than the difference between the household incomes of the existing and future populations. As the expected average income of the new population would be less than the average income of the existing Subarea F population as a whole, no further analysis of Subarea F is warranted.

Step 1 Finding

Based on the above, Step 2 of the preliminary assessment is warranted for the overall study area, as well as Subareas A, B, and E.

Step 2. Determine if the Proposed Actions' increase in population is large enough relative to the size of the population expected to reside in the subareas without the Proposed Actions to affect real estate market conditions in the subareas.

According to *CEQR Technical Manual* analysis thresholds, if the population increase is greater than five percent in the study area or identified subareas, the incremental population may be large enough to affect real estate market conditions, and Step 3 of the preliminary assessment would be warranted. If the population increase is more than 10 percent in the study area or identified subareas, a detailed analysis is warranted.

As shown in **Table 3-12**, the study area is home to an estimated 83,306 residents. Subarea A, with an estimated 21,185 residents, experienced an increase in population since 2010, while Subarea B (18,875 residents) experienced a slight decrease in population since 2010.

Table 3-12
Study Area and Subarea Population Estimates and Projections
Existing Conditions and Future Without the Proposed Actions

	2006-2010 ACS	2014–2018 ACS	2021 Estimate	2031 Population Projections in No Action Condition	Estimated Percent Change 2021 to 2031 No Action Condition
Study Area	**77,285**	**78,148**	**83,306**	**85,462**	**2.6%**
Subarea A	17,849	20,338	21,185	21,528	1.6%
Subarea B	19,933	18,347	18,875	19,306	2.3%
Subarea E	16,939	16,495	15,645	15,589	-0.4%

Sources: U.S. Census Bureau 2006-2010, 2014-2018 ACS. Year 2021 population estimate and 2031 population projection based on planned projects in the subareas identified through the DCP Housing Database, accessed in April 2021.

In the No Action condition, planned projects would grow the study area population by an estimated 2,156 residents by 2031, an approximate 2.6 percent increase. Growth rates are predicted to be slower in the Subareas considered in this analysis step. Planned projects in Subarea A will increase the subarea population by an estimated 343 residents, an approximate 1.6 percent increase. Subarea B will experience an increase of approximately 431 residents in the No Action condition, an approximate 2.3 percent increase. There are no known residential projects planned with Subarea E, which is estimated to experience a slight population decrease.

Study Area

In the With Action condition, the study area would experience growth compared to the No Action condition (see **Table 3-13**). The 1,826 incremental DUs would house an estimated 3,452 new residents. This would represent an approximately 4.0 percent increase in overall study area population. Based on *CEQR Technical Manual* guidelines, the incremental population is not large enough to substantively alter the demographics of the study area as a whole, and therefore the remainder of the analysis focuses on Subareas A, B, and E within the study area.

Table 3-13
With Action Condition Population

	2031 Population Projections No Action Condition	Number of Incremental DUs	With Action Incremental Population	Percent Change from 2031 With Action Condition
Study Area	**85,462**	**1,826**	**3,452**	**4.0%**
Subarea A	21,528	640*	1,210*	5.6%*
Subarea B	19,306	1,826*	3,452*	17.9%*
Subarea E	15,589	655*	1,238*	7.9%*

Note : * Indicates projected DUs and incremental population within a ¼-mile proximity of a subarea boundary.
Sources: U.S. Census Bureau 2014–2018 ACS. Year 2031 population projection based on planned projects in the subareas identified through the DCP Housing Database.

Subarea A

In the With Action condition Subarea A would not experience direct growth in population as compared to the No Action condition, because the projected development sites are outside of the subarea. However, there are 640 projected units within an approximately ¼-mile radius of the subarea, and those new residents would have the potential to indirectly influence the subarea's market conditions. The growth in nearby population would represent approximately 5.6 percent of the subarea's future population (see **Table 3-13**). As population growth nearby Subarea A exceeds the No Action condition by over 5 percent, Step 3 of the preliminary assessment is warranted for Subarea A.

Subarea B

In the With Action condition there are 332 incremental DUs located on five projected development sites within Subarea B, and nearly all of the 1,826 projected incremental DUs are located within an approximately ¼-mile radius of the subarea. For Subarea B, the estimated 627 new residents within the subarea would represent only 3.3 percent of the future subarea population, but all of the projected development sites are within a ¼-mile radius of the subarea, so the population growth within and nearby the subarea would represent approximately 17.9 percent of the subarea population. As population growth in and nearby the subarea exceeds the No Action condition by over 10 percent, a detailed analysis of indirect residential displacement is warranted for Subarea B (see section D, "Detailed Analysis of Indirect Residential Displacement").

Subarea E

In the With Action condition Subarea E would not experience direct growth in population as compared to the No Action condition, because the projected development sites are outside of the Subarea. However, there are 655 projected units within an approximately ¼-mile radius of the subarea, and those new residents would have the potential to indirectly influence the subarea's market conditions. The growth in nearby population would represent approximately 7.9 percent of the subarea's future population (see **Table 3-13**). As population growth in and nearby the identified subareas exceeds the No Action condition by over 5 percent, Step 3 of the preliminary assessment is warranted for Subarea E.

Step 3. Consider whether Subareas A or E have already experienced a readily observable trend toward increasing rents and the likely effect of the Proposed Actions on such trends.

Subarea A

As shown in **Table 3-5**, median and gross rent trends for Subarea A since 2010 cannot be considered increasing because the level of increase falls within the estimation's margin of error. Absent a readily observable trend toward increasing rents, Subarea A warrants a detailed analysis to determine whether the existing population within Subarea A could be vulnerable to indirect displacement.

Subarea E

As shown in **Table 3-5**, median and gross rents for Subarea E have increased since 2010. In addition, as shown in Table 3-6, existing market rate rents in Subarea E are already not affordable to low- and middle-income residents. The Proposed Actions would introduce market rate DUs housing a population who would have a higher average household incomes than the subarea's existing households. However, there is already an existing trend toward higher rents, with rent levels already exceeding amounts that are affordable to the average household (see **Table 3-6**). In addition, the Proposed Actions would introduce permanently affordable DUs that would make the area more affordable to low- and moderate-income residents, slowing the existing trend of increasing rents and maintaining a more diverse mix of incomes surrounding the subarea as compared to the future without the Proposed Actions. Based on *CEQR Technical Manual* guidelines, the Proposed Actions would not result in significant adverse impacts due to indirect residential displacement within Subarea E, and no further analysis is warranted for this subarea.

CONCLUSION

While Step 1 of the preliminary assessment could not rule out the possibility that the Proposed Actions could result in new populations with higher average incomes than the existing and future study area population, Step 2 of the analysis determined that the Proposed Actions' increase in population would not be large enough to substantively affect real estate market conditions for the study area as a whole. However, for Subareas A, B, and E, the incremental population within or adjacent to the subareas was large enough to warrant further assessment. Step 3 of the preliminary assessment demonstrated that Subarea E has already experienced a readily observable trend toward increasing housing prices, and the Proposed Actions would maintain a more diverse mix of incomes surrounding the subarea as compared to the future without the Proposed Actions. For Subareas A and B, the preliminary assessment could not rule out the potential for significant adverse impacts, and additional detailed analysis is warranted (see Section D, "Detailed Analysis of Indirect Residential Displacement.")

INDIRECT BUSINESS DISPLACEMENT

Similar to the analysis of indirect residential displacement, the preliminary assessment of indirect business displacement focuses on whether the Proposed Actions could increase property values and rents within the study area, making it difficult for some categories of businesses to remain in the area. The preliminary analysis follows the methodology of the *CEQR Technical Manual* in analyzing the criteria numbered in bold, italics below.

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

The Proposed Actions would facilitate the introduction of new residential, commercial, and community facility uses. With the Proposed Actions, the residential uses would include a combination of affordable and market-rate units, and the commercial uses would be retail space. As shown in **Table 3-14**, the Project Area and broader study area have well-established residential, and retail markets such that the Proposed Actions would not be introducing new economic activities to the projected development sites or to the study area.

Table 3-14
Existing Land Uses and Incremental Land Uses under the Proposed Actions RWCDS

Use	Existing Amount in Project Area	Existing Amount in Socioeconomic Study Area	Incremental Amount Introduced Under the Proposed Actions RWCDS
Residential	Approx. 5,050 DUs	Approx. 47,900 DUs	1,826 DUs
Retail	Approx. 4,257,400 gsf	Approx. 11,043,300 gsf	70,678 gsf
Sources: Existing use estimates for Project Area and study area are based on MapPLUTO 20v4 Data.			

With respect to community facility uses, the Proposed Actions would result in the incremental development of approximately 20,778 gsf of community facility uses. As described in Chapter 2, "Land Use, Zoning, and Public Policy," the study area already contains numerous community facility uses, and the development of additional community facility uses is expected in the No Action condition. Therefore, the Proposed Actions' community facility uses would not constitute new economic activities in the study area.

With the Proposed Actions, commercial office space is expected to be introduced on five projected development sites. However, the RWCDS projects an overall incremental decrease in the amount of commercial office space on the projected development sites as compared to the No Action condition, and therefore the Proposed Actions would not introduce new economic activity related to commercial office development that would alter existing economic patterns. Overall, the Proposed Actions are expected to result in a decrease in the amount of commercial space on the projected development sites (the total floor area devoted to office and retail uses) compared to the No Action condition.

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 or to alter existing patterns?

This section evaluates the Proposed Actions' incremental development as compared to the future without the Proposed Actions (the No Action condition) for each sector of the local economy that would be affected by the Proposed Actions.

RESIDENTIAL USES

In most cases, indirect displacement of businesses occurs when a project would markedly increase property values and rents throughout the study area, making it difficult for some categories of businesses to remain in the area. An example of a potentially vulnerable business cited in the *CEQR Technical Manual* is industrial business in an area where land use change is occurring, and the introduction of a new population would result in new commercial or retail services that would increase demand for services and cause rents to rise.

The Proposed Actions would add to the concentration of residential uses in the study area, growing the residential population at a faster rate than existing trends. A concern under CEQR is whether the increase in consumer spending from the additional residential development has the potential to alter the nature or composition of the retail and commercial uses in the neighborhood. In this case, the study area already contains well-established residential neighborhoods and consumer markets. As noted above, the study area contains approximately 47,900 DUs and SoHo/NoHo is already a major retail district in New York City.

In the With Action condition, the Proposed Actions would result in the incremental development of 1,826 DUs, including 381 to 572 affordable units, in the Project Area. The substantial number of affordable DUs in the With Action condition would support a mix of household incomes in the study area by providing housing opportunities that can be afforded by a range of households. The large number of affordable DUs would help maintain a balance of incomes and would preserve consumer demand for businesses offering goods and services at a range of price-points. This would be supportive of smaller retail businesses that may be more likely to cater to the area's residential population than large format destination retail stores, such as those in the Broadway corridor, which cater to larger trade areas and rely on the area's commercial office population and transit accessibility to draw customers. The Proposed Actions would introduce a new residential population, but the demand for goods and services from existing residents and other factors affecting the area (e.g., SoHo/NoHo's central location and transit accessibility) have already established a strong commercial market such that the influence of new residents would not markedly increase commercial property values and rents throughout the study area. Furthermore, the SoHo/NoHo retail market is one of the most established and expensive retail markets in the City, and many retail businesses in the area tend to be flagship destination stores serving a regional trade area.[20] Additionally, the introduction of a new residential population would increase demand for the goods and services provided by existing businesses.

COMMERCIAL USES

Commercial uses include both retail and office uses. Because the Proposed Actions are not expected to result in the incremental development of office use, this discussion focuses on retail uses. In terms of retail uses, there currently exists approximately 115,000 gsf of retail floor area on the Projected Development Sites and approximately 11.0 million gsf of retail floor area in the study area. In the No Action Condition, a total of approximately 150,000 gsf of retail space is expected to be developed in the study area as a result of planned development projects, indicating that there is currently a trend of increasing development of retail space in the study area. Additional retail is not expected on the Projected Development Sites in the No Action Condition because of the existing zoning that restricts retail, food and beverage establishments, and many other commercial uses on the ground floors in most of the districts. The Proposed Actions and associated

---

[20] See, for example, https://www.nytimes.com/2017/08/23/nyregion/soho-empty-storefronts.html.

RWCDS would add an increment of 70,678 gsf of retail trade space (local and destination retail, supermarket), which is substantially less than the amount of retail space in the study area.

With the Proposed Actions, Use Group 10 retail uses, such as department stores over 10,000 zsf, and physical culture establishments, would be permitted as-of-right within the SNX. However, the Proposed Actions would not result in the introduction of large-format "big box" stores. The Proposed Actions are projected to introduce approximately 19,000 gsf of destination retail at Site 9, and an approximately 20,000-gsf supermarket at Site 10; all other projected retail is smaller-format local retail uses. The Proposed Actions would also remove outdated ground floor commercial use restrictions, which would eliminate burdensome discretionary review processes, help small business owners, and promote economic recovery. Therefore, the Proposed Actions would not be expected to alter or accelerate ongoing trends with respect to the development of large format "big box" stores in the Project Area.

Overall, the retail added under the RWCDS would not be enough to alter or accelerate ongoing trends.

3. Would the Proposed Actions 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 Actions would not directly displace uses that offer critical support services to the remaining local businesses, or that draw a substantial customer base to the study area. As described in Section C, under "Direct Business Displacement," businesses from several economic sectors could be directly displaced, with the largest number of businesses from the Retail Trade sector. These businesses do not draw large volumes of customers to their locations relative to the overall consumer draw within the study area, nor are these businesses relied upon exclusively for products or services by business establishments in the study area. Therefore, the potential displacement of these businesses would not have a significant adverse effect on the remaining businesses or consumers in the study area.

4. Would the Proposed Actions directly or indirectly displace residents, workers, or visitors who form the customer base of existing businesses in the study area?

The Proposed Actions would not directly or indirectly displace residents, workers, or visitors who form a substantial portion of the customer base of existing businesses in the study area. In the future with the Proposed Actions, any potential loss of existing residential customers would be more than offset by the introduction of a new residential population (increment of 1,826 DUs) within the Project Area and within the surrounding study area. The influx of residents 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 Actions 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 Actions 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 Actions 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 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 Actions significantly affect business conditions in any industry or any category of business within or outside the study area?

The Proposed Actions would not significantly affect the business conditions in any industry or any category of business within or outside the study area. As described in the direct business displacement analysis above, by 2031 the Proposed Actions could directly displace an estimated 57 businesses and 590 employees in several economic sectors, as described in **Table 3-2**.

As described above, the businesses that could be displaced do not represent a critical mass of businesses within any City industry, category of business, or category of employment. Although these businesses are valuable individually and collectively to the City's economy, the goods and services offered by potentially displaced uses can be found elsewhere within the socioeconomic study area, within a broader trade area, and within the City as a whole. Furthermore, the products and services offered by potentially displaced businesses are not essential to the viability of other businesses within or outside the study area.

Overall, the Proposed Actions would not adversely affect business conditions in any specific industry within or outside the study area.

2. Would the Proposed Actions 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 Actions 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.

Based on this preliminary assessment, the Proposed Actions would not result in significant adverse impacts due to adverse effects on specific industries.

D. DETAILED INDIRECT RESIDENTIAL DISPLACEMENT ANALYSIS

EXISTING CONDITIONS AND TRENDS

HOUSEHOLD INCOME

Subarea A

Table 3-15 presents median and average income trends. In Subarea A, the directionality of change in average and median household income since 2010 cannot be estimated with confidence. As of 2018, median household income in Subarea A ($67,961) was approximately $10,000 lower than median household income in Manhattan and approximately $8,000 higher than median household income in New York City overall. Average household income in Subarea A ($127,590) was approximately $30,000 lower than that of Manhattan and approximately $25,000 higher than that of New York City overall.

Subarea B

In Subarea B, both the median and average household incomes have increased since 2010. Average household income in Subarea B ($114,032) is approximately $43,000 less than the average in Manhattan and approximately $13,000 greater than the average in New York City overall. Median income in Subarea B is similar to average household incomes in Brooklyn and New York City overall. Median household income in Subarea B ($63,976) is approximately $21,000 lower than median household income in Manhattan and is comparable to the median income for New York City overall.

Table 3-15
Household Income Characteristics (2006-2010, 2014-2018 ACS)

Area	Average Household Income			Median Household Income		
	2006 -2010 ACS[1]	2014–2018 ACS[1]	Change or Direction of Change[2]	2006 -2010 ACS[1]	2014–2018 ACS[1]	Change or Direction of Change[2]
Subarea A	$110,336	$127,590	--[3]	$67,961	$71,282	--[3]
Subarea B	$89,863	$114,032	Increase	$48,057	$63,976	Increase
Manhattan	$146,324	$157,156	+7.4%	$77,531	$85,255	+10.0%
New York City	$92,956	$100,958	+8.6%	$60,006	$62,822	+4.7%

Notes:
1. All dollar figures have been adjusted to 2020 dollars based on the U.S. Department of Labor Consumer Price Index for all urban consumers in the New York-Newark-Jersey City, NY-NJ-PA region.
2. If the MOE of the difference between 2006-2010 and 2014-2018 ACS data is greater than the difference, a change cannot be reported with confidence; if the MOE of the difference is greater than one third of the difference, a change cannot be estimated with confidence and only the direction of the change can be reported (i.e., Increase/Decrease).
3. The MOE for this data point is more than one-third of the value, and therefore this data is not statistically reliable.

Sources: U.S. Census Bureau, 2006-2010 and 2014-2018 ACS 5-Year Estimates via DCP's NYC Population FactFinder.

HOUSEHOLD INCOME DISTRIBUTION

Subarea A

Table 3-16 shows household income distribution. In Subarea A, the proportion of households with incomes below $35,000 (28 percent) is comparable to Manhattan and slightly lower than New York City overall (33 percent). Approximately 47 percent of Subarea A households earn over $75,000 annually, compared to 54 percent of all Manhattan households and 42 percent for New York City as a whole.

Table 3-16
Household Income Distribution 2018

	Subarea A		Subarea B		Manhattan		New York City	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total households	9,278	100%	7,710	100%	758,133	100%	3,154,103	100%
Less than $34,999	2,601	28%	2,933	38%	208,628	28%	1,030,758	33%
$35,000 to $74,999	2,318	25%	1,502	20%	147,005	20%	794,632	25%
$75,000 to $149,999	2,123	23%	1,687	22%	178,228	24%	785,720	25%
$150,000 or more	2,230	24%	1,588	21%	224,272	30%	542,993	17%

Note: Components may not sum to totals due to rounding.
Source: U.S. Census Bureau 2014–2018 ACS.

Subarea B

In Subarea B, approximately 38 percent of households earn less than $34,999 annually, compared to 28 percent in Manhattan overall and 33 percent in New York City overall. Approximately 43 percent of households in Subarea B have household incomes over $75,000, which is less than the proportions for Manhattan and New York City overall.

POPULATION LIVING IN POVERTY

Subarea A

As shown in **Table 3-17**, in Subarea A, the percentage of the population living in poverty is lower than or equal to Manhattan and New York City across all age groups. The percentage of children (under 18) that are living in poverty (15 percent) in Subarea A is lower than that in Manhattan (22 percent) and New York City overall (27 percent). Similarly, the percentage of seniors (65 and older) living in poverty in Subarea A is lower than the Manhattan and New York City rates.

Table 3-17
Percentage of Population Living Below Poverty Level

	Subarea A	Subarea B	Manhattan	NYC
Under 18 years	15%	22%	22%	27%
18 years and over	15%	20%	16%	17%
18 to 64 years	15%	16%	15%	17%
65 years and over	15%	32%	18%	18%

Notes: Poverty threshold is set by the U.S Census Bureau based on family income, family size, and composition.
Source: U.S. Census Bureau 2014–2018 ACS.

Subarea B

Subarea B has a lower percentage of the population under 18 years living in poverty than in Manhattan and New York City overall. However, Subarea B has a larger proportion of senior residents (65 years and over) living in poverty compared to Manhattan and New York City.

HOUSING UNITS, VACANCY, AND TENURE

Subarea A

As shown in **Table 3-18**, as of 2018 there were approximately 10,366 housing units in Subarea A, of which approximately 89 percent were occupied. The 2010 housing inventory was slightly greater than the estimated 10,562 housing units in the subarea in 2010, with the same 89 percent occupancy rate. Subarea A’s occupancy rate (89 percent) and rate of renter-occupied units (87 percent) are higher than the rates in Manhattan (76 percent) and New York City overall (67 percent).

Table 3-18
Housing Units, Vacancy, and Tenure

	Total Housing Units		Percent Occupied		Percent Renter-Occupied Units	
	2006-2010	2014-2018	2006-2010	2014-2018	2006-2010	2014-2018
Subarea A	10,562	10,366	89%	89%	89%	87%
Subarea B	9,089	8,859	88%	87%	90%	91%
Manhattan	839,013	874,237	87%	87%	77%	76%
New York City	3,343,424	3,472,354	91%	91%	67%	67%

Sources: U.S. Census Bureau 2014–2018 ACS.

Subarea B

As of 2018 there were an estimated 8,859 housing units in Subarea B; in 2010, there were approximately 9,089 housing units. Of the total units in the subarea, approximately 87 percent were occupied; in 2010, the occupancy rate was approximately 88 percent. The occupancy rate in Subarea B is similar to that of Manhattan and New York City overall. Approximately 91 percent of units in the subarea are renter-occupied, which is a higher percentage of renter households than is found in Manhattan and New York City overall.

HOUSING UNITS BY YEAR STRUCTURE BUILT

Subarea A

Subarea A consists mainly of housing units built prior to 1950, which comprise 64 percent of housing units in the subarea, as compared with 50 percent in Manhattan and 51 percent in New York City overall (see **Table 3-19**). The subarea has a slightly higher proportion of housing built since 2000 (10 percent of units) as compared to Manhattan (9 percent) and New York City (8 percent).

Table 3-19
2018 Housing Units by Year Structure Built

	Subarea A		Subarea B		Manhattan		New York City	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Housing Units:	10,366	100%	8,859	100%	874,237	100%	3,472,354	100%
Built 2000 or Later	1,039	10%	273	3%	80,541	9%	275,466	8%
Built 1950 to 1999	2,681	26%	1,822	20%	355,093	41%	1,428,593	41%
Built 1949 or Earlier	6,646	64%	6,746	76%	438,603	50%	1,768,295	51%

Sources: U.S. Census Bureau 2014–2018 ACS.

Subarea B

In Subarea B, over 75 percent of housing units are located in older buildings built prior to 1950, a much greater proportion than in Manhattan and New York City (approximately 50 percent). Only approximately 3 percent of housing units in Subarea B were built in 2000 or later, compared to 9 percent of the housing stock in Manhattan and 8 percent in New York City overall.

HOUSING UNITS IN STRUCTURE

Subarea A

As shown in **Table 3-20,** in Subarea A, approximately 84 percent of housing units are in structures with 10 or more units, and 28 percent of units are in structures with 50 or more units. Residential uses are typically contained within four- to six-story buildings, many with ground-floor retail. Larger residential buildings are concentrated in the southern portion of the subarea (e.g., along Bowery and 2nd Avenue north of East Houston) and in the northernmost portion of the subarea close to Union Square.

Subarea B

In Subarea B, approximately 82 percent of housing units are in structures with 10 or more units, with approximately 12 percent of all units are in structures with 50 or more units. Most of the buildings in the Chinatown portion of the subarea are mixed-use with ground-floor retail and residential space above. Many of these buildings are five- to six-story tenement buildings. Like neighboring Chinatown, Little Italy is primarily mixed-use, with retail on the ground floor and residential space above in buildings generally ranging between four and seven stories.

Table 3-20
Units in Structure

Units in Structure	Subarea A		Subarea B	
	Estimate	Percent	Estimate	Percent
1 to 2	190	2%	200	2%
3 to 4	277	3%	480	5%
5 to 9	1,151	11%	897	10%
10 to 49	5,822	56%	6,211	70%
50 or more	2,915	28%	1,071	12%
Total	10,366	100%	8,859	100%

Notes: Components may not sum to totals due to rounding.
Sources: U.S. Census Bureau 2014–2018 ACS

GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME

Table 3-21 shows gross rent as a percentage of household income for renter-occupied units. If a household is paying more than 30 percent of gross income toward rent, that household is considered rent-burdened. If the household is paying over 50 percent of gross income toward rent, the household is considered severely rent-burdened.

Table 3-21
Renter-Occupied Housing Units by Gross Rent as Percentage of Household Income

	29% or less (Not Rent-Burdened)		30% or more (Rent-Burdened)		50% or more (Severely Rent-Burdened)	
	2006-2010	2014-2018	2006-2010	2014-2018	2006-2010	2014-2018
Subarea A	47%	53%	53%	47%	30%	24%
Subarea B	44%	52%	56%	48%	27%	24%
Manhattan	55%	54%	45%	46%	23%	22%
New York City	47%	47%	49%	54%	26%	29%

Sources: U.S. Census Bureau 2014–2018 ACS

Subarea A

In Subarea A, 47 percent of households are rent-burdened, of which about half are severely rent-burdened (24 percent). There was a slight reduction in the percentage of rent-burdened households in Subarea A between 2010 and 2018. In Manhattan, a comparable percentage of households are rent burdened (46 percent), while a higher percentage are rent burdened in New York City overall (54 percent). Approximately 24 percent of households in Subarea A are severely rent burdened, compared to 22 percent of households in Manhattan and 29 percent of households in New York City overall.

Subarea B

In Subarea B, 48 percent of households are rent-burdened, including 24 percent of households who are severely rent-burdened; in 2010, 56 percent of households were rent-burdened, including

27 percent who were severely rent-burdened. In New York City, approximately 54 percent of households are rent-burdened and 29 percent are severely rent-burdened.

MARKET RENTS

Subarea A

As discussed in the preliminary indirect residential displacement assessment, gross rents reported by ACS are often much lower than advertised market-rate rents. **Table 3-22** shows average market rents by number of bedrooms, gathered from online rental listings. Average market rents in Subarea A are higher than those found in Subarea B, ranging from approximately $2,300 for a studio to nearly $5,500 for units with three or more bedrooms. Active listings were identified throughout the subarea, with no discernable concentrations in terms of location or housing type.

Table 3-22
Average Market Rents

	Subarea A	Subarea B
Studio	$2,292	$1,800
1-Bedroom	$3,090	$2,400
2-Bedroom	$3,356	$2,995
3+ Bedroom	$5,469	$4,425

Source: StreetEasy (http://streeteasy.com) accessed in March 2021 based on sampling of 200 active or recent listings per census tract within each subarea.

As shown in **Table 3-5**, trends since 2010 for median and gross rent—which includes data on rent-protected and market rate units—cannot be considered increasing because the level of increase falls within the estimation's margin of error. However, data for the East Village rental market from StreetEasy suggests that median market rate asking rents have increased within the East Village by approximately 13 percent between 2010 and 2019.[21]

Subarea B

Average asking rents in Subarea B are lower than Subarea A, ranging from approximately $1,800 for a studio to $4,400 for units with three or more bedrooms. Similar to subarea A, active listings were identified throughout the subarea; there were slightly higher numbers of listings along Broome, Mullberry, and Mott Streets. As shown in **Table 3-5**, median and gross rents in Subarea B have increased since 2010.

RECENT RESIDENTIAL CONSTRUCTION ACTIVITY

Subarea A

Table 3-23 shows new buildings and major alterations (A1) completions for residential buildings completed since 2013. In Subarea A, alterations and new buildings resulted in a gain of 300 DUs, while 11 demolitions resulted in a loss of 111 DUs, for a net increase of 189 DUs in the subarea. Major new developments include: a nine-story, 85-DU mixed-use building (with Westside Market

[21] Median asking rent trends available from StreetEasy.com are for an East Village market area, which is bounded by East 14th Street to the North, Bowery/Cooper Square/Fourth Avenue to the west, East Houston Street to the south, and the FDR Drive to the east. The 13 percent increase cited is adjusted for inflation.

on the ground floor) at 84 Third Avenue, completed in 2014; a mixed-use building at 21 East 1st Street with 65 DUs, completed in 2013; a 55-DU mixed-use building at 200 East 6th Street, completed in 2015; and a 30-DU mixed-use building at 24 Second Avenue, completed in 2019. These multi-family mixed-use buildings are luxury buildings with extensive amenities. Also completed in 2019 was Sister City hotel at 225 Bowery in the former Bowery Salvation Army building. Other development in the subarea primarily consisted of conversions of single-unit spaces and renovations or alterations that have not resulted in substantial increases in residential DUs.

Table 3-23
Certificates of Occupancy and Residential Demolitions 2013-2020

	Subarea A		Subarea B	
	Certificates	Net DUs	Certificates	Net DUs
Alterations	40	14	49	102
New Buildings	12	286	7	94
Demolitions	11	-111	6	-13
Total	**63**	**189**	**62**	**183**

Source: New York City Department of City Planning Housing Database, 2020Q4.

Subarea B

In Subarea B, 183 DUs have been gained since 2013. Notable recent developments in the subarea include: a 24-DU mixed-use building at 250 Bowery, completed in 2013; a 27-DU apartment-hotel building at 138 Bowery, completed in 2018; and a 23-DU mixed-use building at 114 Mulberry Street, completed in 2019. Based on current and past rental listings for these buildings, units rent at prices that are not affordable to low-income households.

ESTIMATES OF POTENTIALLY VULNERABLE POPULATION IN UNPROTECTED UNITS

A key objective of the detailed indirect residential displacement analysis is to characterize existing conditions of residents and housing in order to identify populations that may be vulnerable to displacement. Vulnerable populations are defined as people living in privately held units that are unprotected by rent regulations, whose incomes or poverty status indicates that they could not pay substantial rent increases. The following analyses estimate the percentage of low-income renters and the protected and unprotected housing stock in the subareas.

Low-income households are defined as those households making 80 percent AMI or less. AMI is set by HUD and is based on the median income of the New York City region and household size (see **Table 3-7**). Data on household income by subarea and by tenure was tabulated using the 2013-2017 CHAS data. CHAS data are custom tabulations of data from the ACS created for HUD by the U.S. Census Bureau.[22] CHAS data classifies households by tenure and by household income as a percent of HUD AMI.

Subarea A

Table 3-24 presents the estimated income distribution of renter households in Subarea A. As of the 2013-2017 ACS, 49 percent of renter households in Subarea A are low-income, with household incomes less than or equal to 80 percent of AMI. Approximately 35 percent of renter households

[22] https://www.huduser.gov/portal/datasets/cp.html

are considered very low-income and have household incomes that are less than or equal to 50 percent AMI. Approximately 22 percent of renter households are considered extremely low-income with household incomes that do not exceed 30 percent of AMI.

Table 3-24
Low-Income Renter Households: Subarea A

	Estimate	Percent of Total
Total Renter Households	8,106	
Income <= 30% of AMI[1]	1,795	22%
Income > 30% or <= 50% of AMI	1,065	13%
Income > 50% or <= 80% of AMI	1,100	14%
Total Low-Income Renter Households	3,960	49%

Notes: 1. HUD Area Median Family Income (HAMFI)/ Area Median Income (AMI) as calculated in the 2013-2017 CHAS data.
Sources: 2013-2017 CHAS data, AKRF, Inc.

Some of these low-income renter households reside in rent-protected housing. Some rent-protected housing is restricted to low-income tenants, such as NYCHA housing and certain units in buildings that utilize Low-Income Housing Tax Credits (LIHTC). Other rent-protected housing, such as units that are rent stabilized through the Emergency Tenant Protection Act (ETPA) are non-income-restricted, meaning that households of any income level may reside there. Residents in both income-restricted and non-income-restricted rent-protected units are not considered vulnerable to displacement due to increased rents.

Properties listed in the CoreData database for Subareas A and B were reviewed, and the number of units in each building that are rent protected were estimated and classified as income-restricted or non-income restricted based on the terms of the affordable housing financing and subsidy programs identified for each building. All units in buildings identified in the HCR Rent Stabilized Buildings List that are not also enrolled in an affordable housing program are considered non-income restricted protected units. The buildings identified through the HCR Rent Stabilized Buildings List are likely stabilized through ETPA and some of the units in the building may be destabilized. Data on rent stabilized units are limited and it is not feasible to accurately determine the exact number of rent stabilized units in these buildings.

Table 3-25 estimates the allocation of low-income renter households among protected and unprotected rental units. First, all income-restricted (low-income) units are assumed to be occupied by low-income households; therefore 1,015 low-income renter households reside in income-restricted protected housing. Using the New York State Homes and Community Renewal (HCR) 2019 Rent Stabilized Buildings List, shared publicly by the Rent Guidelines Board, to flag buildings that contain rent stabilized units, this analysis determined that there are 5,863 rental units contained within rent stabilized buildings and an additional 337 units identified via CoreData that are stabilized (but not reserved for low-income households) due to the buildings' participation in one of more government subsidy programs. Assuming that all of the units in rent stabilized buildings are rent stabilized, this would mean that these units comprise 87 percent of the remaining non-income restricted renter-occupied units in the subarea and that 13 percent are unprotected units. While this is likely a significant overestimate of rent protected units since it assumes that there has been no deregulation of rent regulated units in those buildings, because there are no aggregated public data sources that specifically identify the number of rent stabilized units in a building or that would help identify the number in the subarea more generally, this analysis is not able to refine this estimate any further. The Housing and Vacancy Survey (HVS) does estimate the number of rent stabilized units in the area to be roughly 32% of occupied housing, but it does so using the Lower East Side, Chinatown, Two Bridges (3809) Public Use Microdata Area (PUMA), which is much larger than the Subarea identified and may not have similar characteristics. Therefore, this analysis assumes 87 percent of the low-income households not residing in income-restricted protected units reside in non-income-restricted protected units, and the remainder reside in unprotected units. Using these assumptions, 370 households (700 residents) comprising 3 percent of Subarea A's total population, are potentially vulnerable to indirect residential displacement.

Table 3-25
Allocation of Low-Income Households: Subarea A

Renter-Occupied Housing Units		Low-Income Renter Households	
Total Protected	7,215	Total	3,960
Income-Restricted	1,015	in Income-Restricted Protected Units	1,015
Non-Income-Restricted	6,200	in Non-Income-Restricted Protected Units	2,575
Unprotected	891	in Unprotected Units	370
Total Potentially Vulnerable Population in Unprotected Units (HH Size 1.89)			700
Total Potentially Vulnerable Population in Unprotected Units as Percentage of Total Population			3%
Sources: NYU Furman Center CoreData; New York State Homes and Community Renewal (HCR) Rent Stabilized Buildings List, New York County 2019; AKRF Inc.			

Subarea B

Table 3-26 shows the estimates of low-income renter households in Subarea B. Of the total renter households in Subarea B, 54 percent are considered low-income with household incomes that do not exceed 80 percent AMI; 43 percent are considered very low-income, with household incomes that do not exceed 50 percent AMI; and 33 percent are considered extremely low-income, with household incomes that do not exceed 30 percent AMI.

Table 3-26
Low-Income Renter Households: Subarea B

	Estimate	Percent of Total
Total Renter Households	7,422	
Income <= 30% of AMI[1]	2,425	33%
Income > 30% or <= 50% of AMI	770	10%
Income > 50% or <= 80% of AMI	805	11%
Total Low-Income Renter Households	4,000	54%

Notes: 1. HUD Area Median Family Income (HAMFI)/ Area Median Income (AMI), 2013-2017 CHAS data
Sources: 2013-2017 CHAS data, 2013-2017 ACS 5-Year Estimates. AKRF, Inc.

Some of these low-income renter households reside in rent-protected housing. Some rent-protected housing is restricted to low-income tenants, such as NYCHA housing or certain units in buildings that utilize Low-Income Housing Tax Credits (LIHTC). Other rent-protected housing, such as units that are rent stabilized through the Emergency Tenant Protection Act (ETPA) are non-income-restricted, meaning that households of any income level may reside there. Residents in both income-restricted and non-income-restricted rent-protected units are not considered vulnerable to displacement due to increased rents.

Table 3-27 estimates the allocation of low-income renter households among protected and unprotected rental units. According to the CHAS data, there are 4,000 low-income renter households in Subarea B. It is assumed that the 146 income-restricted units in the subarea are occupied by low-income households. Using New York State Homes and Community Renewal (HCR) 2019 Rent Stabilized Buildings List, shared publicly by the Rent Guidelines Board, to flag buildings that contain rent stabilized units, this analysis determined that there are 5,741 rental units contained within rent stabilized buildings and an additional 66 units identified via CoreData that are stabilized (but not reserved for low-income households) due to the buildings' participation in one of more government subsidy programs. Assuming that all of the units in rent stabilized buildings are rent stabilized, this would mean that these units comprise 80 percent of remaining non-income restricted renter-occupied units in the subarea and that 20 percent are unprotected units. While this is likely a significant overestimate of rent protected units since it assumes that there has been no deregulation of rent regulated units in those buildings, because there are no aggregated public data sources that specifically identify the number of rent stabilized units in a building or that would help identify the number in the subarea more generally, this analysis is not able to refine this estimate any further. The Housing and Vacancy Survey (HVS) does estimate the number of rent stabilized units in the area to be roughly 32% of occupied housing, but it does so using the Lower East Side, Chinatown, Two Bridges (3809) Public Use Microdata Area (PUMA), which is much larger than the Subarea identified and may not have similar characteristics. Therefore, this analysis assumes 80 percent of the low-income households not residing in income-restricted protected units reside in non-income-restricted protected units, and the remainder reside in unprotected units. Using these assumptions, 778 households (1,471 residents), comprising 8 percent of the total population in Subarea B, are potentially vulnerable to indirect residential displacement.

Table 3-27
Allocation of Low-Income Households: Subarea B

Renter-Occupied Housing Units		Low-Income Renter Households	
Total Protected	5,953	Total	4,000
Income-Restricted	146	in Income-Restricted Protected Units	146
Non-Income-Restricted	5,807	in Non-Income-Restricted Protected Units	3,076
Unprotected	1,469	in Unprotected Units	778
Total Potentially Vulnerable Population in Unprotected Units (HH Size 1.89)			1,471
Total Potentially Vulnerable Population in Unprotected Units as Percentage of Total Population			8%

Sources: NYU Furman Center CoreData; New York State Homes and Community Renewal (HCR) Rent Stabilized Buildings List, New York County 2019; AKRF Inc.

THE FUTURE WITHOUT THE PROPOSED ACTIONS (NO ACTION CONDITION)

SUBAREA A

Table 3-28 presents planned projects in Subarea A that have filled an application for construction, that have an approved application for construction, and that are permitted for construction. Planned alterations and new buildings are projected to result in a gain of 192 DUs, while one demolition will result in a loss of 8 DUs, for a net increase of 184 DUs in the subarea. Notable planned developments include: an 11-story, 88-DU mixed-use building at 42 Second Avenue in the East Village; an 8-story, 27-DU mixed-use building at 75 First Avenue between East Fourth and Fifth Streets; and a 7-story, 22-DU mixed-use building at 45 East 7th Street. All of these projects appear to be planning condominium units.

Table 3-28
Planned Projects in Subareas

	Subarea A		Subarea B	
	Certificates	Net DUs	Certificates	Net DUs
Alterations	26	24	29	127
New Buildings	6	168	8	105
Demolitions	1	-8	1	-1
Total	**33**	**184**	**38**	**231**

Source: New York City Department of City Planning Housing Database, 2020Q4.

SUBAREA B

In Subarea B, planned alterations and new buildings are projected to result in a gain of 232 DUs, while one demolition will result in a loss of 1 DU, for a net increase of 231 DUs in the subarea. Notable planned developments projects include: conversion of a hotel building at 62 Mulberry Street to a 119-DU residential building; a seven-story, 37-DU building will replace a parking garage at 52 Elizabeth Street; a seven-story, 29-DU mixed-use building at 111 Mulberry Street; and a 20-DU mixed-use building at 185 Grand Street that will include space for the Italian American Museum.

THE FUTURE WITH THE PROPOSED ACTIONS (WITH ACTION CONDITION)

SUBAREA A

In the With Action condition, Subarea A would not experience direct growth in population as compared to the No Action condition, because the projected development sites are outside of the subarea. However, there are 640 projected units within an approximately ¼-mile radius of the subarea, and these units would introduce an estimated 1,210 new residents. The new residents would live closely adjacent to the subarea and their demographics would shape subarea neighborhood character and residential market conditions.

According to the *CEQR Technical Manual*, if the vulnerable population potentially subject to indirect displacement exceeds five percent of the subarea population, the Proposed Actions may result in a significant change in the socioeconomic character of the subarea and a potential significant adverse impact may occur. As detailed above, the potentially vulnerable population living in unprotected units represents approximately three percent of the Subarea A population. Therefore, the Proposed Actions would not be expected to result in a significant change in the socioeconomic character of the subarea. Median rents in the subarea are already unaffordable to low-income households. A vast majority of low-income renters reside in protected rental units, and would not be vulnerable to displacement as a result of the Proposed Actions. Low-income renters in the subarea potentially vulnerable to displacement would be eligible for the affordable units introduced through the Proposed Actions.

SUBAREA B

In the With Action condition there are 332 incremental DUs located on five projected development sites within Subarea B.[23] The estimated 627 new residents within the subarea would represent only 3.3 percent of the future subarea population, but all of the projected development sites are within a ¼-mile radius of the subarea, and therefore the Proposed Actions would introduce a population large enough to potentially alter demographic and market conditions in Subarea B.

As noted in the Subarea A assessment above, according to the *CEQR Technical Manual*, if the vulnerable population potentially subject to indirect displacement exceeds five percent of the subarea population, the Proposed Actions may result in a significant change in the socioeconomic character of the subarea and a potential significant adverse impact may occur. As detailed above, the potentially vulnerable population living in unprotected units represents approximately eight percent of the Subarea A population. However, as also noted in the *CEQR Technical Manual*, if it is determined that a project, because of its mixed-income composition, would not cause drastic changes in the real estate market, it may not affect rents for some or all of the existing vulnerable units. Though the low-income renter population in unprotected housing units is approximately eight percent of the existing population, the mixed-income composition of residents introduced to and near the subarea as a result of the Proposed Actions would not create or accelerate a trend of increasing rents such that all of the vulnerable population would be displaced. Rents and household incomes in the subarea have increased since 2010 (see **Tables 3-3** and **3-5**); the addition of new, permanently affordable housing units would potentially slow this trend and would serve to maintain a wider range of household incomes within the subarea over the long term as compared to conditions in the No Action condition. The application of MIH to the Project Area in the With Action condition would result in the creation of up to 100 permanently income-restricted protected units in Subarea B. On average, the anticipated rents in the With Action condition would be similar to market rents currently in the subarea. Therefore, the Proposed Actions are not expected to result in significant adverse impacts due to indirect residential displacement. ✷

[23] These projected development sites would include between 70 and 100 permanently affordable units under MIH.