

A. INTRODUCTION

This chapter describes the socioeconomic changes that could result from the proposed actions—minor modifications to the existing Two Bridges Large Scale Residential Development (LSRD)—and assesses whether the additional 2,775 dwelling units (DUs) that would be generated by the proposed actions could result in significant adverse impacts.

As described in the 2014 *City Environmental Quality Review (CEQR) Technical Manual*, the socioeconomic character of an area includes its population, housing, and economic activity. Socioeconomic changes may occur when a project directly or indirectly changes any of these elements. Although some socioeconomic changes may not result in impacts under CEQR, they are disclosed if they would affect land use patterns, low-income populations, the availability of goods and services, or economic investment in a way that changes the socioeconomic character of the area. In some cases, these changes may be substantial but not adverse. The objective of the CEQR analysis is to disclose whether any changes would have a significant adverse impact compared to what would happen in the future without the proposed projects.

The *CEQR Technical Manual* guidelines recommend examination of five ways in which a project could alter socioeconomic conditions: (1) direct residential displacement; (2) direct business displacement; (3) indirect residential displacement; (4) indirect business displacement; and (5) adverse effects on specific industries. This chapter considers each of these five areas of socioeconomic concern.

PRINCIPAL CONCLUSIONS***DIRECT RESIDENTIAL DISPLACEMENT***

A screening-level assessment finds that the proposed projects would not result in significant adverse socioeconomic impacts due to direct residential displacement. The proposed projects would not directly displace any residents from the socioeconomic conditions study area.¹

On Site 4 (4A/4B), there are 10 DUs that would be removed from the 80 Rutgers Slip building and replaced in the new Site 4 (4A/4B) building. An additional nine DUs in the 80 Rutgers Slip building would be renovated. The Site 4 (4A/4B) applicant intends to relocate the approximately 19 residents living in these units during the construction period to comparable, newly renovated units within the 80 Rutgers Slip building as they become available, or if necessary, to units in neighboring buildings. As units in 80 Rutgers Slip become available prior to construction, they would not be re-tenanted, but instead would be renovated and offered as temporary or permanent

¹ For this analysis, the census tracts that comprise the “socioeconomic study area,” or “study area,” are shown in **Figure 3-1** and include Census Tracts 2.01, 2.02, 6, 8, 10.01, 12, 14.01, 14.02, 16, 25, and 27. The study area is generally bounded by the East River to the south, the Brooklyn Bridge to the west, Bowery to the north, and Delancey Street and the Williamsburg Bridge to the east.

dwelling units for residents of the relocated or renovated units. There are currently nine vacant units within the building that would be renovated and made available. Because the 80 Rutgers Slip building is under a U.S. Department of Housing and Urban Development (HUD) regulatory agreement, the dwelling units and residents could only be moved under a relocation plan approved by HUD. Such approval would be granted by HUD and is not part of the proposed actions. To date, the Site 4 (4A/4B) applicant has ~~submitted detailed its proposed relocation a~~ plan to HUD and HUD confirmed that the plan tentatively meets the requirements for approval. Additional filings will be required, and therefore, final approval is pending forthcoming. The Site 4 (4A/4B) applicant has stated that they would coordinate the project construction to minimize disruptions to these tenants and to ensure that, to the extent possible, residents of these units remain in the building throughout construction. No residents would be permanently displaced from this Site 4 (4A/4B). Irrespective of the applicant's ability to provide replacement units for the residents of these 19 units within the building, this level of potential direct residential displacement is well below the 500-resident threshold warranting assessment under CEQR, and would not constitute a significant adverse environmental impact.

DIRECT BUSINESS DISPLACEMENT

A screening-level assessment finds that the proposed projects would not result in significant adverse socioeconomic impacts due to direct business displacement. There is one business on the project sites (Site 5) that may require temporary displacement during construction—the Stop 1 Food Market, which is an amenity to the community. The Site 5 applicant is committed to working with Stop 1 Food Market to remain in operation during construction, if determined to be feasible, and to provide an opportunity for the business to re-tenant the building when the new space is ready for occupancy. However, even if Stop 1 Food Market did not re-tenant the space, its displacement would not constitute a significant adverse environmental impact as defined under CEQR. The potential loss of employment (approximately 10 workers²) falls well below the 100-employee threshold for assessment, and in this respect, its potential displacement would not alter the socioeconomic character of the neighborhood. In addition, while the Stop 1 Food Market is a convenient source of goods for residents of the study area and the project sites in particular, its products and services are not unique to the study area; alternative sources of similar products and services are available within close proximity. Finally, there are no regulations or publicly adopted plans aimed at preserving a market of this size (approximately 2,100 gross square feet [gsf]) within the neighborhood.

INDIRECT RESIDENTIAL DISPLACEMENT

A preliminary assessment finds that the proposed projects would not result in significant adverse environmental impacts due to indirect residential displacement. Under CEQR, the objective of the indirect residential displacement analysis is to determine whether a project may either introduce a trend or accelerate a trend of changing socioeconomic conditions that may potentially displace a vulnerable population to the extent that the socioeconomic character of the neighborhood would change. Based on *CEQR Technical Manual* guidelines, a vulnerable population is defined as 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. In the case of the proposed

² The worker estimate for the Stop 1 Food Market is based on in-person observation by an AKRF, Inc. staff member on February 21, 2017, and assumes that up to three work shifts are required to staff this 24-hour food market.

projects, most study area residents are not vulnerable to displacement as defined under CEQR; it is estimated that approximately 83.88 percent of study area rental units are in buildings protected by rent control, rent stabilization, or other government regulations that protect rents from market influences generated by changes in market conditions. Those not vulnerable to displacement include study area residents living within the large concentration of New York City Housing Authority (NYCHA) public housing within the study area. It is reasonable to conclude that a vast majority of low- and moderate-income households in the study area live in housing that is protected by rent control, rent stabilization, or other government regulations limiting rent increases, and therefore are not vulnerable to displacement due to increased rents as defined under CEQR.

While the proposed projects would add new population, which, in the aggregate, would have a higher average household income than the average household income in the study area, the proposed projects would not introduce or accelerate the existing trend of changing socioeconomic conditions. Of the proposed projects' 2,775 new DUs, 25 percent (up 694 DUs) would be designated as permanently affordable.³ There is already a readily observable trend toward higher incomes and new market-rate residential development in the study area. The average monthly asking rent (lowest 10th percentile) for non-rent-protected units in the study area currently ranges from approximately \$1,900 for a studio unit to \$3,300 for a three-bedroom unit; these rents are generally not affordable to low- and moderate-income households. The proposed projects are expected to introduce a higher percentage of affordable housing than is expected from planned development projects in the future No Action condition, which are primarily market-rate. In this respect, the proposed projects would serve to maintain a study area housing stock that is affordable to households with a wider range of incomes as compared to the No Action condition, in which projects are expected to continue the trend towards market-rate development and rising residential rents in the study area.

INDIRECT BUSINESS DISPLACEMENT

A preliminary assessment finds that the proposed projects would not result in significant adverse impacts due to indirect business displacement. The proposed projects would facilitate the introduction of new residential, commercial, and community facility uses. The project sites and broader socioeconomic study area have well-established residential and retail markets such that the proposed projects would not be introducing new economic activities to the project sites or to the study area.

Although some retail stores may be indirectly displaced, their displacement would not constitute a significant adverse environmental impact under CEQR. As of 2015, Retail Trade industry stores in the study area represent less than three percent of retail stores in Manhattan and less than one percent of retail stores in New York City. The stores that would be vulnerable to indirect displacement, while fostering economic activity in the local area, are not of substantial economic value to the City or region, and their displacement would not significantly affect

³ A portion of the affordable units would be made permanently affordable pursuant to requirements of the "R10 Program," set forth in Zoning Resolution Sections 23-154(a) and 23-90. The remainder of the affordable units would be made permanently affordable pursuant to Regulatory Agreements with the New York City Department of Housing Preservation and Development (HPD) as established in consultation with the applicants. For purposes herein, permanent or permanently affordable housing shall refer to units made permanently affordable both through the R10 Program and the Regulatory Agreements.

neighborhood character. Storefronts that are vacated due to indirect displacement would not likely remain vacant; more likely, they would turn over to other retail or community facility uses that could better capitalize on the market. The proposed actions could generate additional local demand for neighborhood retail and services. However, the additional population resulting from the proposed projects is not so large as to substantially transform the retail character of the neighborhood. Therefore, the limited indirect retail displacement that could result from the proposed projects would not lead to major changes within nearby commercial strips, and would not result in significant adverse socioeconomic impacts.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

A preliminary assessment finds that the proposed projects would not result in significant adverse impacts on specific industries. The assessment considers whether a substantial number of residents or workers depend on the goods or services provided by the affected businesses, or if the proposed projects would result in the loss or substantial diminishment of a particularly important product or service within the industry. The proposed projects would not significantly affect the business conditions in any industry or any category of business within or outside the study area. The one business that could be temporarily displaced by the proposed projects—the Stop 1 Food Market—does not represent a critical mass of businesses within any City industry, category of business, or category of employment. Although this business is an amenity to the community, the goods and services offered 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 the potentially displaced business are not expected to be essential to the viability of other businesses within or outside the study area. Finally, the proposed projects would not result in significant indirect business displacement, and therefore would not 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 (the With Action condition) could have a significant adverse impact compared to what would happen in the future if the project was not completed (the No Action condition). 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.

Even 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 (e.g., the implementation of new regulations that restrict a certain process vital to a particular industry). In these cases, the effect of a proposed action on a particular industry is analyzed.

The analysis of the proposed projects is based on a Reasonable Worst Case Development Scenario (RWCDS) that includes development projected to be completed within the study area by the 2021 build year in the No Action condition, and the proposed development on the project sites. For the purposes of a conservative analysis, this socioeconomic chapter considers the potential effects of the three proposed developments cumulatively as the proposed projects. By the 2021 build year, under the RWCDS for this analysis, the proposed projects would result in the aggregate development within the boundary of the Two Bridges LSRD of 2,775 DUs including up to 694 permanently affordable DUs⁴ of which, it is the intent of the applicants to collectively provide 200 units of permanently affordable senior housing. In addition, the proposed projects would include approximately 10,858 gsf of retail space and approximately 17,028 gsf of community facility space.

ANALYSIS FORMAT

Following *CEQR Technical Manual* guidelines, the socioeconomic analysis begins with a screening assessment (presented below in Section C, "Screening Assessment") that determines the need for a preliminary assessment. As described below, for two of the five areas of concern—direct residential displacement and direct business displacement—the potential effects of the proposed projects did not warrant further assessment because the proposed projects would not result in direct displacement that exceeds the CEQR thresholds. For the three other areas of socioeconomic concern—indirect residential displacement, indirect business displacement, and adverse effects on specific industries—the potential for effects identified in the screening assessment warranted preliminary assessments.

The preliminary assessments are conducted to learn enough about the potential effects of the proposed projects 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 preliminary assessment responds to questions based on guidance from the *CEQR Technical Manual*. If the responses to questions indicate there is no potential for significant adverse impacts, further analysis is not warranted. A detailed analysis, when warranted, addresses the same issues of concern, but frames the assessment to more particularly examine the changes to socioeconomic conditions in the With Action condition as compared to the changes that would be expected in the No Action condition. With respect to the proposed projects, for all three areas of concern warranting preliminary assessments—indirect residential displacement, indirect business displacement, and adverse effects on specific industries—a preliminary assessment (presented below in Section D, "Preliminary Assessment") was sufficient to conclude that the proposed projects would not result in significant adverse socioeconomic impacts.

⁴ ~~A portion of the affordable units would be made permanently affordable pursuant to requirements of the "R10 Program," set forth in Zoning Resolution Sections 23-154(a) and 23-90. The remainder of the affordable units would be made permanently affordable pursuant to Regulatory Agreements with the New York City Department of Housing Preservation and Development (HPD) as established in consultation with the applicants. For purposes herein, permanent or permanently affordable housing shall refer to units made permanently affordable both through the R10 Program and the Regulatory Agreements.~~

PROJECT SITES

The project sites collectively comprise approximately 6.6 acres and are located in the Lower East Side neighborhood of Manhattan in Community District (CD) 3. Each of the project sites is described in detail below.

SITE 4 (4A/4B)

Site 4 (4A/4B) includes Block 248, Lots 15, 70, and 76, and contains a total lot area of 69,210 square feet (sf) if assumed as a single lot. Site 4 (4A/4B) is the westernmost site in the Two Bridges LSRD and is located on the west side of Rutgers Slip, between Cherry Street to the north and South Street to the south. Lot 15 is occupied by a 198-unit, 21-story mixed-use residential building with an 11-space enclosed accessory parking facility and 11,660-sf paved private open space. Lot 70 is occupied by a 109-unit, 10-story residential building with surface parking spaces and 3,928 sf of private open space. A regulatory agreement was signed with HUD covering the building on Lot 70. Lot 76 is improved with a partially vacant, approximately 11,575-sf, one-story commercial building and 280 sf of private open space.

SITE 5

Site 5 includes Block 247, Lots 1 and 2, and contains a total area of 145,031 sf if assumed as a single lot. The site is located on South Street, east of Rutgers Slip and west of the former alignment of Jefferson Street (demapped). Site 5 is occupied by two 26-story apartment buildings for low-income households (490 units total), 103 surface parking spaces, approximately 2,024 sf of local retail, and private open space. A regulatory agreement was signed with the New York City Department of Housing Preservation and Development (HPD) in 2014 covering both buildings on Site 5.

SITE 6A

Site 6A includes Block 246, Lots 1 and 5, and contains a total of 71,357 sf if assumed as a single lot. The site is the easternmost site in the Two Bridges LSRD and is located on the west side of Clinton Street between Cherry Street and South Street. Lot 1 is occupied by a 19-story, 256-unit residential building and a 34-space surface parking lot. Lot 5 is currently vacant.

STUDY AREA DEFINITION

A socioeconomic study area is the area within which the proposed projects could directly or indirectly affect population, housing, and economic activities. A study area typically encompasses a project area and adjacent areas within approximately 400 feet, ¼-mile, or ½-mile, depending upon the project size and area characteristics. According to the *CEQR Technical Manual*, the larger ½-mile study area is appropriate for projects that would potentially increase the ¼-mile area population by more than five percent. Under the RWCDS, the proposed projects would increase the ¼-mile area population by approximately 5,836 people⁵ (27 percent), warranting a larger study area.

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 ½-mile radius surrounding the boundary of the Two Bridges

⁵ Residential population estimate for the proposed projects is based on the average household size for CD 3 (2.15 persons per DU), and an assumption of 1.5 persons per DU for the 200 senior units.

LSRD). For this analysis, the census tracts that comprise the “socioeconomic study area,” or “study area,” are shown in **Figure 3-1** and include Census Tracts 2.01, 2.02, 6, 8, 10.01, 12, 14.01, 14.02, 16, 25, and 27. According to the *CEQR Technical Manual*, a study area should reflect the areas likely to be affected by a project. The study area is generally bounded by the East River to the south, the Brooklyn Bridge to the west, Bowery to the north, and Delancey Street and the Williamsburg Bridge to the east. While most of the study area is in the neighborhood of Two Bridges, the northern portion of the study area, generally north of Henry Street and west of Rutgers Street, is in the Chinatown neighborhood. The Brooklyn census tract that partially falls within a ½-mile radius surrounding the boundary of the Two Bridges LSRD is less than 50 percent within the ½-mile radius and would not likely be affected by the proposed projects, and is thus not included in the study area.

DATA SOURCES

Information used in the analysis of indirect residential displacement—including population, housing, rents, and incomes—were gathered from the U.S. Census Bureau’s ~~2000 Census, 2009–2013–2006–2010~~ Census American Community Survey (ACS), and 2012–2016 Census ACS. Data on the study area were compared to Manhattan and New York City. The New York City Department of City Planning’s (DCP) Population FactFinder online mapping tool was utilized to determine the reliability of single-variable census data presented for the study area.⁶ Study area and comparative geographies’ market-rate asking rents were researched using online real estate listing sites, including StreetEasy, Zillow, and Douglas Elliman. Buildings with one or more rent-regulated units were identified using the New York University (NYU) Furman Center’s subsidized housing database. Rent stabilized units were identified using the New York State (NYS) Division of Housing and Community Renewal (DHCR) building registrants list available through the New York City Rent Guidelines Board. Buildings not protected by rent control, rent stabilization, or other government regulations limiting rent increases were identified using a combination of Furman Center data, data from the DHCR building registrants list, and ~~2016~~ 2018 mapPLUTO data. Data on affordable units planned for construction within the socioeconomic study area were obtained from HPD’s Housing New York Map database.⁷

The assessments of indirect business displacement and potential effects on specific industries consider business and employment trends in the study area. Land use data was analyzed using mapPLUTO data provided by DCP and tenant information is available through the DOF Online Tax Map property search tool. The data for the study area that were used to estimate the total number and types of businesses and jobs were based on the NYS Department of Labor (DOL) Quarterly Census of Employment and Wages (QCEW) for the third quarter of 2015, compiled at the census-tract level by the New York City DCP Housing, Economics, and Infrastructure Planning (HEIP) Division in April 2016. QCEW Data on New York County and New York City were gathered by AKRF, Inc. for the third quarter of 2015. The above-described data were supplemented by field surveys conducted by AKRF staff during the winter 2016–2017 season.

⁶ In this case, the reliability of data is based on the margin of error (MOE). 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 where the larger the MOE relative to the size of the estimate, the less reliable the data. The MOE is partially dependent on the sample size because larger sample sizes result in a greater amount of information that more closely approximates the population.

⁷ HPD’s Housing New York Map database is available at:
<http://hpd.maps.arcgis.com/apps/webappviewer/index.html?id=192d198f84e04b8896e6b9cad8760f22>



Project Sites

Boundary of Two Bridges LSRD

1/2-mile boundary

Census Tracts >50 percent within 1/2-mile boundary

* A very small portion of Manhattan Census Tract 2.02 is in Brooklyn but does not contain any residential or commercial land uses that would influence the socioeconomic analysis; therefore, it is not included in the socioeconomic study area.

0 1,000 FEET

Socioeconomic Study Area

Figure 3-1

During the field surveys in February and July 2017, AKRF staff characterized land uses, commercial turnover, vacancy rates, and economic activities.

C. SCREENING ASSESSMENT

This screening assessment presents the *CEQR Technical Manual* threshold circumstances (numbered in bold italics below) that can lead to socioeconomic changes warranting further analysis, and compares those thresholds to the proposed projects' RWCDs.

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

On Site 4 (4A/4B), there are 10 DUs that would be removed from the 80 Rutgers Slip building and replaced in the new Site 4 (4A/4B) building. An additional nine DUs in the 80 Rutgers Slip building would be renovated. The Site 4 (4A/4B) applicant intends to relocate the approximately 19 residents living in these units during the construction period to comparable, newly renovated units in the building as they become available, or, if necessary, to units in neighboring buildings. As units in 80 Rutgers Slip become available prior to construction, they would not be re-tenanted, but instead would be renovated and offered as temporary or permanent dwelling units for residents of the relocated or renovated units. There are currently nine vacant units within the building that would be renovated and made available.

Because the 80 Rutgers Slip building is under a HUD regulatory agreement, the dwelling units and residents could only be moved under a relocation plan approved by HUD. Such approval would be granted by HUD and is not part of the proposed actions. To date, the Site 4 (4A/4B) applicant has ~~submitted a detailed its proposed relocation plan to HUD and HUD confirmed that the plan tentatively meets the requirements for approval is pending. Additional filings will be required, and therefore, final approval remains forthcoming.~~ The Site 4 (4A/4B) applicant has stated that they would coordinate the project construction to minimize disruptions to these tenants and to ensure that, to the extent possible, residents of these units remain in the building throughout construction. No residents would be permanently displaced from Site 4 (4A/4B). Irrespective of the applicant's ability and requirement to provide replacement units for the residents of these 19 DUs within the building, this level of potential direct displacement would be less than the 500-resident threshold warranting assessment under CEQR. The proposed projects would not have the potential to alter the socioeconomic character of the neighborhood due to direct residential displacement, and no further assessment of direct residential displacement is warranted.

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

The proposed projects would require the temporary displacement of one business—Stop 1 Food Market—located on Site 5. Stop 1 Food Market is an approximately 2,024-sf, 24/7 retail establishment that provides a variety of items such as milk, eggs, cheese, rice, bread, baked goods, paper towels, toilet paper, lightbulbs, and dish detergent, and employs up to

approximately 10 workers.⁸ The Stop 1 Food Market is an amenity to the community. The Site 5 applicant is committed to working with Stop 1 Food Market to remain in operation during construction, if determined to be feasible, and to provide an opportunity for the business to re-tenant the building when the new space is ready for occupancy. However, for purposes of a conservative analysis, this screening assessment assumes that the Stop 1 Food Market would be displaced during construction and may not move back to its location on Site 5 when the space is ready to be reoccupied.

In addition to the Stop 1 Food Market, there are 11,575 gsf of commercial (retail) space located at the northwest corner of Site 4 (4A/4B) that would be introduced into the ground floor of the new building on that site. Currently the space is partially tenanted by Extell Development, which is sub-leasing a portion of the space from Little Cherry Development, LLC for use as a construction office. The commercial space will be re-tenanted irrespective of the proposed actions. Given that the loss of the current tenant would occur in the No Action condition, this is not displacement attributable to the proposed projects. Therefore, this screening-level assessment focuses on whether the potential displacement of the Stop 1 Food Market warrants a preliminary assessment under CEQR.

According to the *CEQR Technical Manual*, projects that displace more than 100 employees warrant further assessment because such displacement could alter the socioeconomic character of the neighborhood. The potential displacement of the Stop 1 Food Market would not have such an effect. The approximately 10 employees associated with the business are well below the 100-employee threshold, and do not represent a substantial percentage of study area employment as a whole, or within the study area's Accommodation and Food Services industry sector. Based on QCEW data, the potentially displaced business would represent 0.08 percent of study area employment and 0.57 percent of the study area's Accommodation and Food Services sector jobs.

Another CEQR criterion for direct business displacement is whether a project would directly displace a business that is "unusually important" because its products or services are uniquely dependent on its location; that, based on its type or location, is the subject of other regulations or public adopted plans aimed at its preservation; or that serves a population uniquely dependent on its services in its present location. While the Stop 1 Food Market is a convenient source of goods to residents of the study area and the project sites in particular, and is an amenity to the community, its products and services are not unique to the study area. Alternative sources of similar products and services available within the study area include: Stop 1 Deli (open 24 hours) located approximately one block north of the Stop 1 Food Market, at the northeast corner of Madison and Rutgers Streets; AM and PM Deli and Grocery (open 24 hours) located approximately one block north of the Stop 1 Food Market, at the northwest corner of Madison and Rutgers Streets; LoHo Gourmet Deli (open 24 hours) located approximately three blocks northeast of the Stop 1 Food Market, at the northeast corner of Henry and Clinton Streets; 207 Gourmet Deli (open 24 hours) located approximately three blocks northeast of the Stop 1 Food Market, at the northwest corner of Henry Street and Clinton Street; Pepito Grocery, located approximately two blocks north of the Stop 1 Food Market, on Jefferson Street between Madison and Henry Streets; and the Fu Zhou Supermarket, located approximately two blocks north of the Stop 1 Food Market, on the southeast corner of Rutgers and Henry Streets. The

⁸ The worker estimate for the Stop 1 Food Market is based on in-person observation by an AKRF, Inc. staff member on February 21, 2017, and assumes that up to three work shifts are required to staff this 24-hour food market.

stores provide comparable goods, operate at comparable business hours, and are in comparable locations when compared with the Stop 1 Food Market.

There are no regulations or publicly adopted plans aimed at preserving the Stop 1 Food Market. Although the business is located in an area eligible for Food Retail Expansion to Support Health (FRESH) Program discretionary tax incentives, which serve to promote the establishment and retention of neighborhood grocery stores in underserved communities, the Stop 1 Food Market is not a qualifying food store. In order to qualify for the FRESH program, a grocery store must provide a minimum of 6,000 sf of retail space for a general line of food and nonfood grocery products; provide at least 50 percent of food products intended for home preparation, consumption, and utilization; provide at least 30 percent of retail space for perishable goods that include dairy, fresh produce, fresh meats, poultry, fish and frozen foods; and provide at least 500 sf of retail space for fresh produce.⁹ The Stop 1 Food Market is approximately 2,024 sf and thus would not be eligible to benefit from the FRESH Program.

Based on the above screening-level assessment, the proposed projects would not have the potential to result in significant adverse environmental impacts due to direct business displacement. No further assessment of direct business displacement is warranted.

3. Indirect Residential and Business Displacement due to increased rents: Would the project result in substantial new development that is markedly different from existing uses, development, and activities within the neighborhood? Residential development of 200 units or less or commercial development of 200,000 square feet or less would typically not result in significant socioeconomic impacts.

The proposed projects would result in the incremental development of 2,775 DUs, well over the 200-unit threshold warranting assessment of potential indirect displacement. Both indirect residential and business displacement analyses are included in Section D, “Preliminary Assessment.”

4. Indirect Business Displacement due to market saturation: Would the project add to, or create, a retail concentration that may draw a substantial amount of sales from existing businesses within the study area to the extent that certain categories of business close and vacancies in the area increase, thus resulting in a potential for disinvestment on local retail streets? Projects resulting in less than 200,000 square feet of retail on a single development site would not typically result in socioeconomic impacts.

Based on *CEQR Technical Manual* guidelines, an assessment of potential business displacement due to retail market saturation (i.e., competition) is not warranted. The RWCDS would introduce an increment of up to approximately 10,858 gsf of retail uses, which is well below the *CEQR Technical Manual* 200,000-sf threshold for assessment. In addition, the retail space would not be concentrated on a single site, but would be distributed among the three project sites. It is the applicants’ intent that the approximately 10,858 gsf of new retail would enhance the streetscape and pedestrian environment, and strengthen local retail opportunities by increasing the amount of ground floor retail. The proposed projects are not expected to 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. Therefore, the proposed projects would not have the potential to result in disinvestment on local retail streets due to retail market saturation and associated competitive effects.

⁹ Source: <http://www.nyc.gov/html/misc/html/2009/fresh.shtml>. Accessed in February 2017.

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

As noted in the responses to screening question 3 above, the proposed projects would have the potential to result in 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 D, “Preliminary Assessment,” addresses whether the proposed projects could significantly affect business conditions in any industry or category of business within or outside the study area, or whether they could substantially reduce employment or impair viability in a specific industry or category of business.

Based on the above screening assessment, the proposed projects warrant further assessment of indirect residential displacement, indirect business displacement, and adverse effects on specific industries.

D. PRELIMINARY ASSESSMENT

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 a vulnerable population. In an effort to quantify the reasonably anticipated effects of the proposed projects, the vulnerable population is defined in the *CEQR Technical Manual* to include 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 are therefore not anticipated to be vulnerable to rent pressures.¹⁰

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

¹⁰ Because tenants of rent controlled and rent stabilized units could be forced out of their apartments through illegal means, both HPD and DHCR administer measures against harassment that, in the more severe cases, provide very strong penalties for persons found guilty of harassment and illegal eviction. The Tenant Protection Act (also known as Local Law 7 of 2008) created civil penalties for certain types of tenant harassment. Some of the actions that qualify as harassment under this legislation include: use of force or threats against a lawful occupant; repeated or prolonged interruptions of essential services; use of frivolous court proceedings to disrupt a tenant’s life or force an eviction; removal of the possessions of a lawful tenant; removal of doors or damaging locks of a unit; or, any other acts designed to disturb a lawful occupant’s residence. The law also prevents similar actions by third parties working on the landlord’s behalf.

EXISTING CONDITIONS AND TRENDS

According to 2012–2016 ACS data, the average annual household income in the socioeconomic study area was \$58,882 (see **Table 3-1**). In comparison, the average household income was \$138,748 in Manhattan and \$88,437 in New York City. As illustrated in **Figure 3-2**, there are several NYCHA-owned apartment complexes located contiguous to the proposed projects' lots, including: the Alfred E. Smith Houses; the Rutgers Houses; the LaGuardia Houses and LaGuardia Addition; and the Vladeck Houses.¹¹ Due in large part to the presence of NYCHA housing, the study area has an average annual household income that is lower than the Manhattan average (\$138,748).

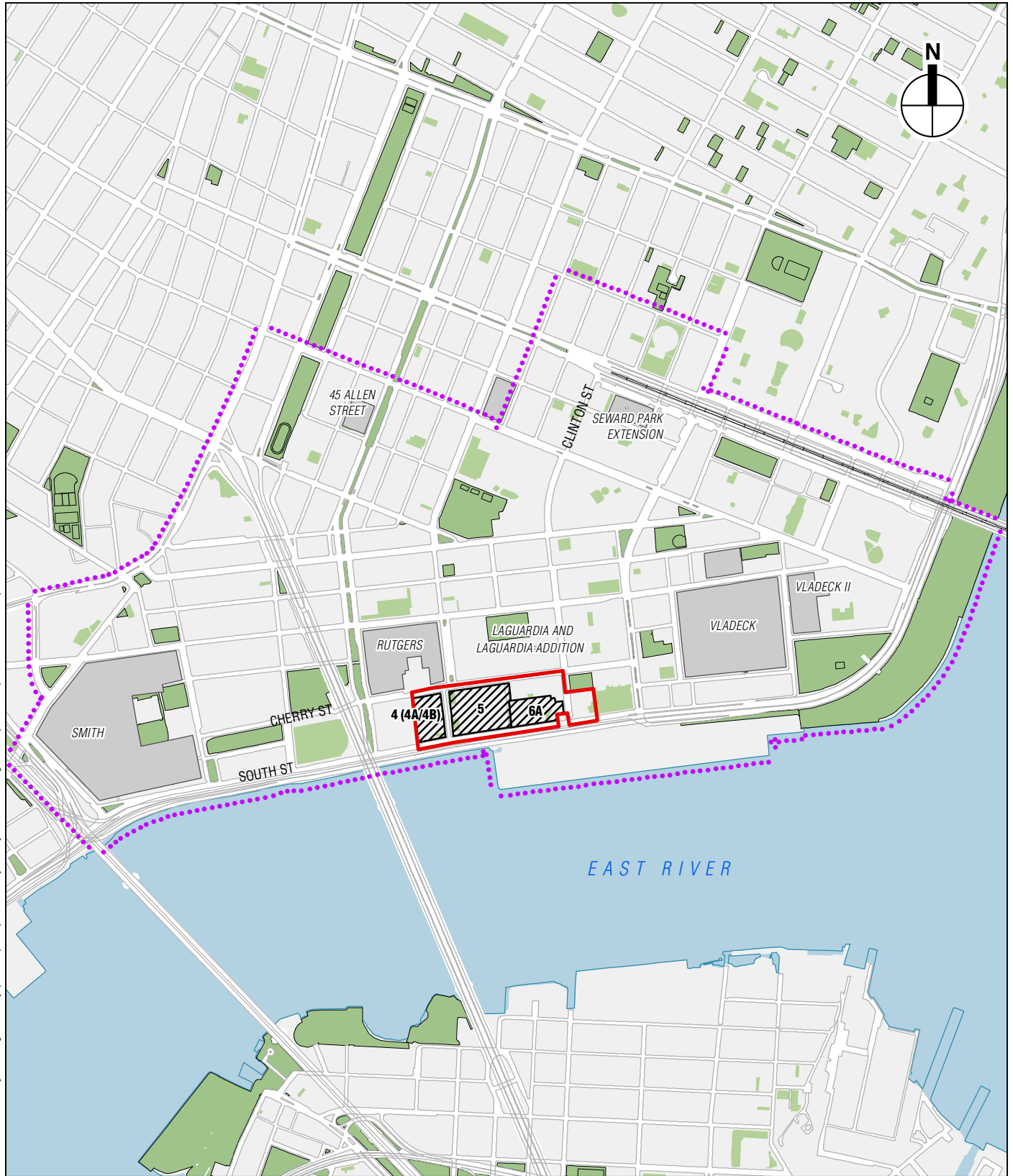
Table 3-1
Average Annual Household Income¹ (2000–2010, 2012–2016 ACS)²




| | 2000 2006–2010 | 2012–2016 | Percent Change |
|--|--------------------------------|-----------|----------------------------|
| Socioeconomic Study Area | \$55,130 \$55,787 | \$58,882 | 6.8 ↑ Increased |
| Manhattan | \$130,538 \$135,027 | \$138,748 | 6.3 2.8 |
| New York City | \$86,630 \$85,779 | \$ 88,437 | 2.4 3.1 |
| Note: ¹ All dollar figures have been adjusted to 2016 dollars based on the U.S. Department of Labor, Consumer Price Index, 2016. ² The statistical reliability of the data included in this table has been vetted using DCP's NYC Population FactFinder and by following guidance provided by DCP. For the study area, only the directionality of change over time was statistically reliable. For Manhattan and New York City, the rate of change and the directionality of change were statistically reliable and therefore reported. Source: U.S. Census Bureau 2000–2010 2006–2010 ACS, and 2012–2016 ACS. Accessed through <u>DCP's NYC Population FactFinder Social Explorer</u> in December 2017 October 2018. | | | |

Since ~~2000–2010~~2006–2010, the average household income in the study area has increased by ~~6.8 percent~~ after adjusting for inflation (see **Table 3-1**). In Manhattan, the average annual household income has increased by ~~6.3~~2.8 percent since ~~2000–2010~~2006–2010, while it has increased by ~~2.4~~3.1 percent in the City as a whole.

Table 3-2 and **Figure 3-3** illustrates the distribution of incomes within the socioeconomic study area, with more than 60 percent of study area households earning less than \$49,999 annually. Approximately 44 percent of study area households earn less than \$25,000 annually, while approximately 20 percent of households earn between \$25,000 and \$49,999 annually. In comparison to Manhattan and New York City, a significantly larger portion of study area households earn less than \$25,000 annually, and there are smaller portions of study area households in the highest income brackets. The relatively high portion of lower-income households in the study area is due to the presence of NYCHA housing and other publicly assisted rental units in the study area; as discussed further below, current market-rate rent levels suggest that market-rate units generally are unaffordable to households earning less than \$77,000 annually.


¹¹ NYCHA Development Interactive Map. Accessed January 25, 2017.
<http://nycha.maps.arcgis.com/apps/webappviewer/index.html?id=41c6ff5e73ec459092e982060b7cf1a1>



-  Project Sites
-  Boundary of Two Bridges LSRD
-  Socioeconomic Study Area
-  NYCHA Developments

* A very small portion of Manhattan Census Tract 2.02 is in Brooklyn but does not contain any residential or commercial land uses that would influence the socioeconomic analysis; therefore, it is not included in the socioeconomic study area.

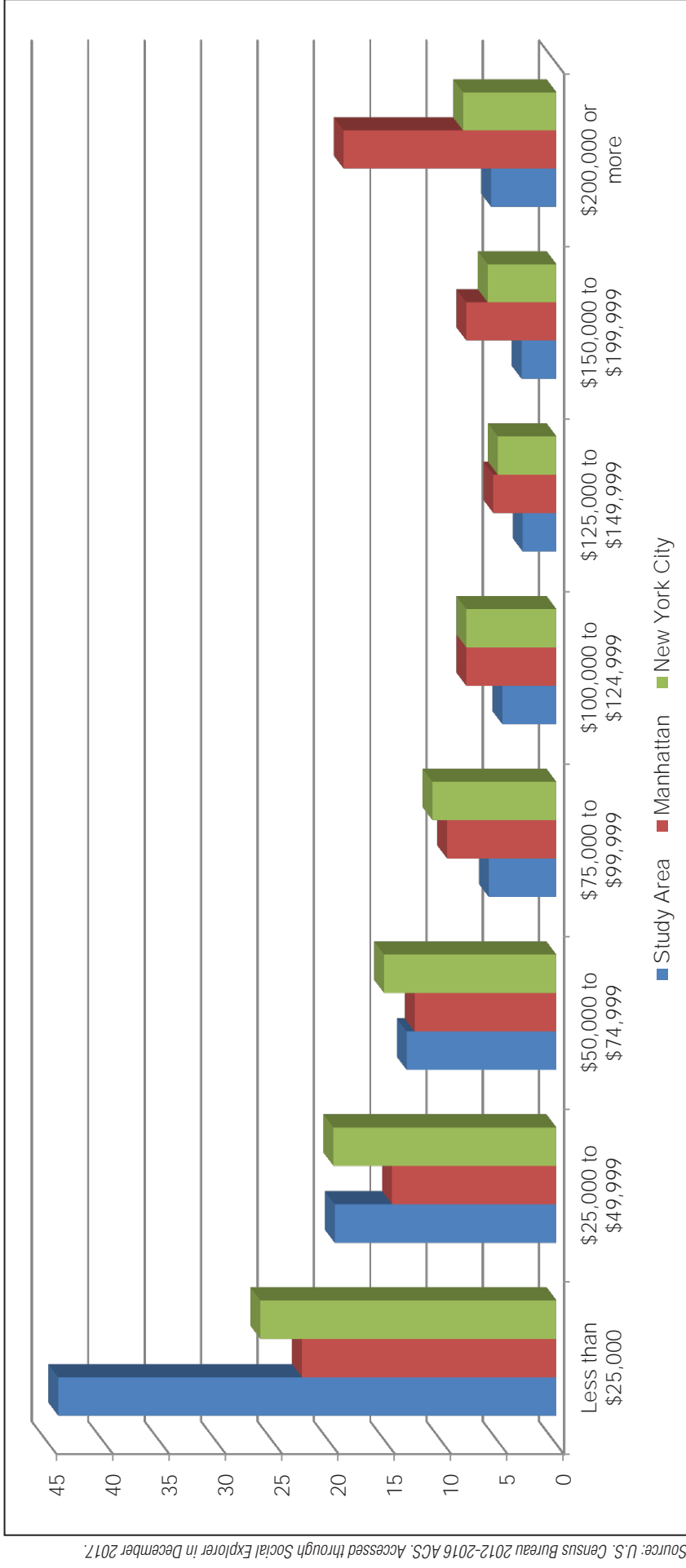
0 1,200 FEET



New York City Housing Authority (NYCHA) Housing Locations

TWO BRIDGES LSRD

Figure 3-2



Distribution of Household Incomes (2012–2016 ACS)
Figure 3-3

Table 3-2
Distribution of Household Incomes (2012–2016 ACS)

| | Total Households | Households Earning Less than \$25,000 | | Households Earning \$25,000 to \$49,999 | | Households Earning \$50,000 to \$99,999 | | Households Earning \$100,000 to \$199,999 | | Households Earning \$200,000 or more | |
|--------------------------|---------------------|---|---------|---|---------|---|---------|---|---------|--|---------|
| | | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Study Area | 23,386 | 10,348 | 44.2 | 4,612 | 19.7 | 4,524 | 19.3 | 2,538 | 10.9 | 1,364 | 5.8 |
| Manhattan | 753,385 | 170,286 | 22.6 | 109,979 | 14.6 | 167,742 | 22.3 | 163,101 | 21.6 | 142,277 | 18.9 |
| New York City | 3,128,246 | 822,877 | 26.3 | 620,856 | 19.8 | 822,378 | 26.3 | 601,540 | 19.2 | 260,595 | 8.3 |

Source: U.S. Census Bureau 2012–2016 ACS. Accessed through Social Explorer in December 2017, verified through DCP's NYC Population FactFinder in October 2018.

As shown in **Table 3-3**, the median household income for the socioeconomic study area was ~~\$30,693~~\$30,771 annually, compared to \$75,513 and ~~\$55,431~~\$55,191 for Manhattan and New York City, respectively. The median household income in the study area ~~has declined by approximately 11 percent since 2000~~was an estimated \$31,964 in 2006–2010, while ~~the median household incomes for Manhattan and New York City grew by 8.45 percent since 2006–2010, while the median household income for the City as a whole was virtually unchanged and declined by 2.5 percent, respectively.~~ As compared to the average household income, the socioeconomic study area's median household income is less heavily influenced by the presence of a relatively small number of higher-income households directly south of the Williamsburg Bridge in the study area. Overall, the data shows that the socioeconomic study area is an area with a comparatively low household income that has been in decline. This is partly due to the slightly larger and growing senior population with lower median household incomes than that of the same population in comparison geographies (see **Appendix E**).

Table 3-3
Median Household Income¹ (2006–2010, 2012–2016 ACS)²

| | 2006–2010 <u>2000</u> | 2012–2016 | Percent Change |
|---------------------------------|-------------------------------------|-----------------------------------|-----------------------------|
| Socioeconomic Study Area | \$34,325 <u>\$31,964</u> | 30,693 <u>\$30,771</u> | -10.6 <u>NA</u> |
| Manhattan | \$69,639 <u>\$71,545</u> | <u>\$75,513</u> | <u>8.45.5</u> |
| New York City | \$56,854 <u>\$55,373</u> | 55,431 <u>\$55,191</u> | -2.5 <u>-0.3</u> |

Note:
¹ All dollar figures have been adjusted to 2016 dollars based on the U.S. Department of Labor, Consumer Price Index, 2016.
² The statistical reliability of the data included in this table has been vetted using DCP's NYC Population FactFinder and by following guidance provided by DCP. For the study area, the directionality of change and percent change over time were not statically reliable and therefore are not reported. For Manhattan and New York City, the rate of change and the directionality of change were statistically reliable and therefore reported.

Source: U.S. Census Bureau ~~2006–2010 ACS and 2000~~, 2012–2016 ACS. Accessed through DCP's NYC Population FactFinder Social Explorer in December 2017~~October 2018.~~

~~While the median income in the study area has declined since 2000,~~ Residential rents in the study area have generally increased during the same period (see Table 3-4). According to U.S. Census data, the average and median gross rents in the study area have increased ~~between 27.0 and 19.4 percent, respectively since 2006–2010.~~ Overall, the study area has a disproportionately high amount of publicly subsidized, rent-protected housing relative to other areas of the City,

which explains the relatively low absolute average and median gross rents as compared to Manhattan and New York City as a whole.

Table 3-4
Average and Median Gross Rent¹ (2006–2010, 2012–2016 ACS)²

| | 2006–2010 ACS | | 2012–2016 ACS | | Percent Change | |
|--|-------------------------------|-------------------------------|---------------|---------|----------------------------|----------------------------|
| | Average | Median | Average | Median | Average | Median |
| Socioeconomic Study Area | \$754 \$856 | \$702 \$748 | \$954 | \$838 | <u>↑ Increased</u> 27.0 | <u>↑ Increased</u> 19.4 |
| Manhattan | \$1,460 \$1,566 | \$1,179 \$1,359 | \$1,711 | \$1,575 | <u>9.3</u> 47.2 | <u>33.6</u> 15.9 |
| New York City | \$1,134 \$1,261 | \$1,044 \$1,179 | \$1,370 | \$1,294 | <u>8.6</u> 20.8 | <u>23.9</u> 9.8 |
| Note: | | | | | | |
| ¹ All dollar figures have been adjusted to 2016 dollars based on the U.S. Department of Labor, Consumer Price Index, 2016. | | | | | | |
| ² <u>The statistical reliability of the data included in this table has been vetted using DCP's NYC Population FactFinder and by following guidance provided by DCP. For the study area, only the directionality of change over time was statistically reliable. For Manhattan and New York City, the rate of change and the directionality of change were statistically reliable and therefore reported.</u> | | | | | | |
| Source: U.S. Census Bureau 2006–2010 ACS and 2000 , 2012–2016 ACS. Accessed through <u>DCP's NYC Population FactFinder and Social Explorer in December 2017/October 2018.</u> | | | | | | |

Apart from indicating general trends, U.S. Census data on average and median gross rents are of limited use because they fail to distinguish between units subject to market rents and those under some form of rent regulation. **Table 3-5** summarizes online listings for market-rate apartments in the study area. The average rents presented in the table were calculated based on market-rate rental units, and in general are two to four times higher than the data presented by the ~~2000 Census and the 2006–2010 and 2012–2016 ACS~~. The data summarized in **Table 3-5** suggest that current market-rate asking rents in the study area are currently not affordable to low- to moderate-income households or those residents with incomes equal to the study area's average or median household income. This is supported by findings of separate local area analysis from *The Plan for Chinatown and Surrounding Areas: Preserving Affordability and Authenticity, Recommendations to the Chinatown Working Group*, which found that current market-rate rents are unaffordable to families living in Chinatown.¹² Assuming that 30 percent of household income is spent on rent,¹³ the household income required to rent a studio unit within the lowest 10th percentile of asking rents is an estimated \$77,000, while a three-bedroom unit would require an annual household income over an estimated \$133,000.

¹² The Plan for Chinatown and Surrounding Areas: Preserving Affordability and Authenticity, Recommendations to the Chinatown Working Group, Pratt Center for Community Development, The Collective for Community, Culture and the Environment. December 2013. "The Plan for Chinatown and Surrounding Areas" is a report prepared by the Pratt Center for Community Development for the Chinatown Working Group that recommends an action plan for Chinatown and the surrounding areas. The plan categorizes four main areas of concern: affordability, economic development, culture and preservation, and zoning and land use. The report addresses each issue by explaining key findings of analysis, creating goals, and providing recommendations and implementation strategies on how to achieve those goals. Overall, the plan promotes the idea of allowing mindful growth, while wishing to preserve the unique nature of the Chinatown neighborhood.

¹³ HUD defines families who pay more than 30 percent of their income for housing as cost burdened.

Table 3-5
Monthly Rents in the Study Area—
Average for Lowest 10th Percentile of Asking Rents

| | Studio | 1BR | 2BR | 3BR |
|--|---------|---------|---------|---------|
| Socioeconomic Study Area | \$1,934 | \$2,016 | \$2,166 | \$3,329 |
| Note: Average monthly asking rents are based on real estate listings of approximately 80 DUs located within the study area. Sources: StreetEasy (http://streeteasy.com), Zillow (http://www.zillow.com/), and Douglas Elliman (https://www.elliman.com/) accessed January 2017. | | | | |

The nature of new residential developments in the study area—including density, physical characteristics, and level of amenities—differs from what has traditionally existed in the study area and has contributed to the trend of rapid rent increase since 2000. For example, built in 2001, apartments in 99 Suffolk Street are outfitted with top-of-the-line stainless steel appliances, and come equipped with an Amazon Echo and Nest Thermostats. Residents have access to a communal terrace, laundry room, bike storage, and fitness center. The most recent apartment to be rented was a one-bedroom with a listed asking rent of \$4,700 per month.¹⁴ The residents of the apartments at 148 East Broadway, which was built in 2004, have an elevator that leads straight into their units, private balconies, and access to a laundry room and bike storage. The most recent apartment to be rented was a two-bedroom with a listed asking rent of \$3,695 per month.¹⁵ Rents have traditionally been comparatively low in Chinatown and Two Bridges neighborhoods, with market-rate DUs primarily within pre-war, walk-up buildings lacking amenities, but the recent influx of market-rate development is characteristically different from typical developments and is changing the nature of residential development in the study area.

CEQR PRELIMINARY ASSESSMENT CRITERIA

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

Under the RWCDs, by 2021 the proposed projects collectively would introduce 2,775 DUs, of which 25 percent, or up to 694 DUs, would be permanently affordable.

In order to estimate the average household income of residents introduced by the proposed projects, it is necessary to estimate the incomes of future residents in both the market-rate and affordable units. For market-rate units, an estimate is made based on current average monthly asking rents for market-rate units in the study area (as summarized in **Table 3-6**) and the assumption that incoming market-rate renters would be spending 30 percent of their household income on rent.

¹⁴ Source: https://streeteasy.com/building/99-suffolk-street-new-york#tab_building_detail=3

¹⁵ Source: https://streeteasy.com/building/148-east-broadway-manhattan#tab_building_detail=3

Table 3-6

Average Monthly Asking Rents in the Study Area

| | Studio | 1BR | 2BR | 3BR |
|---|---------|---------|---------|---------|
| Socioeconomic Study Area | \$2,231 | \$2,332 | \$2,469 | \$3,990 |
| Note: Average monthly asking rents are based on real estate listings of approximately 80 DUs located within the study area. | | | | |
| Sources: StreetEasy (http://streeteasy.com), Zillow (http://www.zillow.com/), and Douglas Elliman (https://www.elliman.com/), accessed January 2017. | | | | |

HUD defines families who pay more than 30 percent of their income for housing as rent-burdened. While a majority of renters in Chinatown¹⁶ and New York City¹⁷ are rent-burdened, assuming the 30 percent threshold is conservative for this analysis because it results in a higher assumed income for the projects' market-rate tenants. Assuming that the incoming market-rate renters would be spending 30 percent of their income on rent, a household renting a market-rate unit that would be available as a result of the proposed projects would have an income between approximately \$89,000 and \$160,000 annually (see **Table 3-7**).

Table 3-7

Imputed Household Income by Unit Type/Average Rental Rates

| | Monthly Rent ¹ | Estimated Monthly Income (Market Rate Renters) | Estimated Yearly Income ² (Market Rate Renters) |
|--|---------------------------|---|---|
| Studio | \$2,231 | \$7,437 | \$89,000 |
| 1-bedroom | \$2,332 | \$7,772 | \$93,000 |
| 2-bedroom | \$2,469 | \$8,231 | \$99,000 |
| 3-bedroom | \$3,990 | \$13,300 | \$160,000 |
| Notes: | | | |
| ¹ Represents the average monthly market-rate rent based on January 2017 market listings. | | | |
| ² Household incomes were imputed using the HUD 30 percent guideline described above and rounded to the nearest thousand dollars. | | | |
| Sources: Rents researched using StreetEasy (http://streeteasy.com), Zillow (http://www.zillow.com/), and Douglas Elliman (https://www.elliman.com/), accessed January 2017. | | | |

The incomes of households who would reside in the proposed projects' permanently affordable units cannot be estimated at this time, because the projects' levels of affordability have not been finalized. HPD, as a supporting and regulatory agency, would at a later date establish levels of affordability for the proposed projects in coordination with the applicants. The affordability requirements would be defined and ensured through regulatory agreements with HPD. In general, levels of affordability are based on percentages of the Area Median Income (AMI) for

¹⁶ Based on findings of the December 2013 Plan for Chinatown and Surrounding Areas: Preserving Affordability and Authenticity, Recommendations to the Chinatown Working Group report produced by the Pratt Center for Community Development, an estimated 56 percent of renters living in central Chinatown pay more than one-third of their income on rent and utilities and are considered "rent-burdened."

¹⁷ Based on findings of the 2014-2017 *New York City Housing and Vacancy Survey* conducted by HPD, an estimated 56 percent of New York City renters pay more than one-third of their income on rent and utilities, and about 30 percent of renter households in the City are "severely rent-burdened," paying 50 percent or more of their household income for rent. Using an adjusted income measure that accounts for Housing Choice Vouchers and SNAP benefits, an estimated 44 percent of New York City renters are rent burdened, while 22 percent of renter households are severely rent burdened.

the region; the 2016-2018 AMI levels by family size for New York City are presented in **Table 3-8** below, while **Table 3-9** presents the monthly rents by unit size for the same levels of AMI, or “AMI bands.” The applicants intend to participate in Option E of the updated 421-a Affordable New York Housing Program, under which 10 percent of rental housing could be available at no more than 40 percent of AMI, 10 percent at no more than 60 percent of AMI, and 5 percent at no more than 120 percent of AMI.

Table 3-8

2016 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 | 130% of AMI |
|-------------|------------|------------|------------|------------|------------|-------------|-------------|
| 1 | \$19,050 | \$25,400 | \$31,750 | \$38,100 | \$50,750 | \$63,500 | \$82,550 |
| 2 | \$21,800 | \$29,000 | \$36,250 | \$43,500 | \$58,000 | \$72,500 | \$94,250 |
| 3 | \$24,500 | \$32,640 | \$40,800 | \$48,960 | \$65,250 | \$81,600 | \$106,080 |
| 4 | \$27,200 | \$36,240 | \$45,300 | \$54,360 | \$72,500 | \$90,600 | \$117,780 |
| 5 | \$29,400 | \$36,160 | \$48,950 | \$58,740 | \$78,300 | \$97,900 | \$127,270 |

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

Table 3-8

2018 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 | 130% of AMI |
|-------------|------------|------------|------------|------------|------------|-------------|-------------|
| 1 | \$21,930 | \$29,240 | \$36,550 | \$43,860 | \$58,480 | \$73,100 | \$95,030 |
| 2 | \$25,050 | \$33,400 | \$41,750 | \$50,100 | \$66,800 | \$83,500 | \$108,550 |
| 3 | \$28,170 | \$37,560 | \$46,950 | \$56,340 | \$75,120 | \$93,900 | \$122,070 |
| 4 | \$31,290 | \$41,720 | \$52,150 | \$62,580 | \$83,440 | \$104,300 | \$135,590 |
| 5 | \$33,810 | \$45,080 | \$56,350 | \$67,620 | \$90,160 | \$112,700 | \$146,510 |

Source: New York City Department of Housing Preservation and Development (HPD) website:
<https://www1.nyc.gov/site/hpd/renters/what-is-affordable-housing.page>

Note: HPD no longer publishes affordable monthly rent data for incomes at 165 percent of AMI; therefore, median incomes and affordable rent levels up to 130 percent of AMI are provided.

Table 3-9

2016 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 | 130% of AMI |
|-----------|------------|------------|------------|------------|------------|-------------|-------------|
| Studio | \$328 | \$464 | \$600 | \$736 | \$1,049 | \$1,321 | \$1,729 |
| 1-BR | \$419 | \$589 | \$759 | \$929 | \$1,320 | \$1,660 | \$2,170 |
| 2-BR | \$509 | \$713 | \$917 | \$1,121 | \$1,591 | \$1,999 | \$2,611 |
| 3-BR | \$582 | \$817 | \$1,053 | \$1,289 | \$1,831 | \$2,302 | \$3,009 |

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, and 57 percent of AMI. Studio rents are based on a household factor of 0.6.

Source: New York City Department of Housing Preservation and Development (HPD) website:
<http://www1.nyc.gov/site/hpd/about/what-is-affordable-housing.page>

Table 3-9**2018 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 | 130% of AMI |
|------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|
| Studio | \$367 | \$524 | \$680 | \$837 | \$1,197 | \$1,510 | \$1,979 |
| 1 BR | \$471 | \$667 | \$863 | \$1,058 | \$1,509 | \$1,900 | \$2,487 |
| 2 BR | \$575 | \$810 | \$1,045 | \$1,280 | \$1,820 | \$2,289 | \$2,993 |
| 3 BR | \$658 | \$929 | \$1,200 | \$1,472 | \$2,096 | \$2,638 | \$3,452 |

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, and 57 percent of AMI. Studio rents are based on a household factor of 0.6.
HPD no longer publishes affordable monthly rent data for incomes at 165 percent of AMI; therefore, median incomes and affordable rent levels up to 130 percent AMI are provided.
Source: New York City Department of Housing Preservation and Development (HPD) website:
<https://www1.nyc.gov/site/hpd/renters/what-is-affordable-housing.page>

Although the AMI bands for the proposed projects' up to 694 permanently affordable housing units have not yet been finalized, based on the average household income of the study area (\$58,882) and the imputed household incomes for the proposed projects' 2,081 market rate units (ranging from approximately \$89,000 to \$160,000), the proposed projects' overall population would be expected to have a higher average household income than the existing study area population, irrespective of the levels of affordability.¹⁸ Based on *CEQR Technical Manual* guidelines, if the expected average incomes of the new population would exceed the average incomes of the study area populations, Step 2 of the preliminary assessment should be conducted.

Step 2. Determine if the project's increase in population is large enough relative to the size of the population expected to reside in the study area without the project to affect real estate market conditions in the study area.

According to 2012–2016 ACS data, the study area had a 2016 population of approximately 55,992 residents, which is ~~an approximately seven percent~~ a decline from the estimated population in ~~2000~~ 2006–2010 (see **Table 3-10**). In comparison, the populations of Manhattan and New York City each increased by ~~approximately six percent~~ over the same time period.

¹⁸ This analysis assumption—that the proposed projects' overall population would be expected to have a higher average household income than the existing study area population—is accurate when applying the Affordable New York Option E AMI levels proposed by the applicants, as well as other possible AMI levels.

Table 3-10
Study Area Population Estimates and Projection^{1,2}

| | <u>2006–2010</u> <u>2000</u> | 2012–2016 ACS | Percent Change <u>2006–2010</u> <u>2000</u> to 2012–2016 | 2021 Population Projections in the Future No Action Condition |
|--|--------------------------------------|---------------|---|--|
| Socioeconomic Study Area | <u>60,494</u> <u>61,431</u> | 55,992 | ↓ <u>Decreased</u> –7.4 | <u>66,583</u> <u>62,049</u> |
| Manhattan | <u>4,537,195</u> <u>1,583,345</u> | 1,634,989 | 6.4 | N/A |
| New York City | <u>8,008,278</u> <u>8,078,471</u> | 8,461,961 | 5.7 | N/A |
| Notes: ¹ Year 2021 population project is based on No Build projects and an average household size of 2.15 persons per DU in Manhattan CD 3. ² The statistical reliability of the data included in this table has been vetted using DCP's NYC Population FactFinder and by following guidance provided by DCP. For the study area, only the directionality of change over time was statistically reliable. For Manhattan and New York City, the rate of change and the directionality of change were statistically reliable and therefore reported. Sources: U.S. Census Bureau <u>2006–2010 ACS</u> and <u>2000</u> , 2012–2016 ACS. Accessed through <u>DCP's NYC Population FactFinder</u> in October 2018 and <u>Social Explorer</u> in December 2017. | | | | |

As detailed in Chapter 1, “Project Description,” there are a number of development projects expected in the future without the proposed projects. In the socioeconomic study area there are 34 37 development projects with a total of 2,356 2,817 DUs that will be developed in the No Action condition. **Table 3-10** presents the total population projections in the future No Action condition by adding the projected population from the no build projects to the 2012–2016 population estimates.

The proposed projects would result in an increment of 2,775 DUs by the 2021 build year. With an average household size of 2.15 people per DU for non-senior DUs and 1.5 people per DU for senior units, the added population in the With Action condition would be an estimated 5,836 people. **Table 3-11** shows the new population and its size relative to the population in the future without the proposed projects.

Table 3-11
Proposed Projects' Contribution to Study Area Population

| | 2021 Population Projections in Future No Action Condition | Number of Incremental DUs in the With Action Condition ¹ | Projected Population Change from With Action Condition ² | Percent Change from 2021 Future No Action Condition |
|---|--|--|--|--|
| Socioeconomic Study Area | <u>62,049</u> <u>66,583</u> | 2,775 | 5,836 | <u>8.8</u> <u>9.4</u> |
| Notes: ¹ The 2,775 increment DUs includes 200 senior DUs. ² Residential population estimate for the proposed projects is based on the average household size for CD 3 (2.15 persons per DU), and an assumption of 1.5 persons per DU for the 200 senior units. Sources: AKRF, Inc. | | | | |

By adding the 5,836-person increment to the 2021 study area population, the proposed projects would increase the future 2021 population by approximately 8.8 9.4 percent. According to *CEQR Technical Manual* analysis thresholds, if the population increase is greater than five percent in a

study area, the incremental population may be large enough to affect real estate market conditions, and Step 3 of the preliminary assessment is warranted.

Step 3. Consider whether the study area has already experienced a readily observable trend toward increasing rents and the likely effect of the action on such trends within the study area.

The study area has experienced a readily observable trend toward increasing housing prices and changing nature of residential development. As shown in **Table 3-4** above, the study area's average and median gross rents increased by 27.0 and 19.4 percent, respectively, between 2000 and the ~~2012–2016–2006–2010~~ and 2012–2016 ACS. As detailed in the “Existing Conditions and Trends” section, residential development over the past two decades has changed the type of residential development in the neighborhood toward larger, elevator buildings with amenities. Given current market rate rents, the above-described rent trends, and changing nature of residential development, it is reasonable to conclude that a vast majority of low- and moderate-income households in the study area live in housing that is protected by rent control, rent stabilization, or other government regulations limiting rent increases, and therefore it is not anticipated that these households would be vulnerable to displacement due to increased rents. The NYU Furman Center provides a database of rental buildings with one or more units that have received some form of government subsidy from the City, state, or federal government. Furman Center data indicates that an estimated ~~41,957~~11,281 of the study area's ~~19,208~~18,927 renter-occupied housing units (approximately ~~63–59~~ percent) are in buildings containing one or more units under some form of rent protection; this includes approximately ~~6,388~~6,209 study area households living in the nine NYCHA developments in the study area. In addition to those buildings identified by the Furman Center, there are an additional ~~4,771~~4,746 units in rent-stabilized buildings in the study area according to DHCR (see **Figure 3-4**).¹⁹ In total, there are an estimated ~~46,728~~16,027 units (representing ~~88–approximately~~ 83 percent of renter-occupied housing units) that are within rent-protected buildings in the study area.

The remaining approximately ~~42–17~~ percent of study area rental units are in market-rate buildings including:

- **Units in buildings of five units or fewer, which are not subject to rent control or rent stabilization.** Based on Census ACS and mapPLUTO data, approximately 534 study area residents living in buildings with one to four dwelling units are “rent burdened,” paying 30 percent or more of their household income toward gross rent. There are nine buildings with five units in each building for which information on residents’ gross rent as a percentage of household income could not be isolated within ACS data.²⁰ However, even if all residents within these five-unit buildings are assumed to be rent burdened, the total numbers of rent-burdened, potentially vulnerable residents within study area buildings of five or fewer units—estimated to be 631 residents—would represent approximately 1.1 percent of the study area population (~~57,978~~55,992 residents).

¹⁹ Rent stabilized units are not listed in the NYU Furman Center data because rent stabilized units are not protected under a specific government subsidy. Rather, rent stabilized units are stabilized based upon the year that they were built (before 1974) and the number of units within the building (six or more units).

²⁰ The cross-tabulated census data used for this analysis presents units in structure by gross rent as a percentage of household income in the past 12 months. The units in structure data are organized into brackets including: 1 unit, 2 to 4 units, 5 to 19 units, 20 to 49 units, or 50 or more units. As such, 5-unit buildings cannot be isolated from those buildings with more than five units.



Subsidized and Rent-Regulated Housing
Figure 3-4

- **Units in buildings with six or more units built in 1974 or later.**²¹ For renters living in buildings with more than five units but not old enough to be subject to rent control or rent stabilization, those units are already unaffordable to renters with incomes equal to the median household income of the study area. According to mapPLUTO there are ~~14~~12 study area ~~rental apartment~~ buildings with six or more units that were built after 1974 and that are not rent-protected (a total of ~~404~~776 units). Based on the average ~~asking~~recorded rents from ~~2017–2018 transactions~~that were available for ~~7–9~~of the 14–12 buildings through online real estate listings, renters within these buildings would have to have an average annual household income of ~~over~~approximately ~~\$118,000~~\$180,000 to avoid being rent burdened.²² This data, in combination with data on rent trends and the changing nature of residential development in the study area, leads to the conclusion that a vast majority of unprotected units are occupied by moderate- to high-income renters who are not vulnerable to displacement due to rent increases.

Average asking rents for unregulated housing in the study area and subareas, presented in **Table 3-5**, shows that current market-rate rents are already unaffordable to households earning less than the AMI (currently ~~\$81,600~~\$93,900 for a three-person family). A similar finding was reported in *The Plan for Chinatown and Surrounding Areas: Preserving Affordability and Authenticity, Recommendations to the Chinatown Working Group* report published by Pratt in December 2013. In addition, residential development within the study area is largely market-rate housing, including the development of 815 market-rate condominiums at One Manhattan Square, located adjacent to Site 4; 50 Clinton Street, a 37-unit condominium building; 136 Baxter Street, an 11-unit luxury condominium building; and 123 Baxter Street, a 23-unit boutique, full-service condominium building.

While the proposed projects would result in the introduction of new households with higher incomes as compared to the average household income in the study area, the proposed projects are expected to introduce a higher percentage of affordable housing than is expected from planned development projects in the future No Action condition.²³ In this respect, the proposed projects would serve to maintain a study area housing stock that is affordable to households with a wider range of incomes as compared to the No Action condition, in which projects are expected to continue the trend towards market-rate development and rising residential rents in the study area. In accordance with *CEQR Technical Manual* guidelines, since the vast majority of the study area has already experienced a readily observable trend toward increasing rents and new market rate development, further analysis is not necessary.

CONCLUSION

While Step 1 of the preliminary assessment could not rule out the possibility that the proposed projects would result in new populations with higher average incomes than the existing and

²¹ Some buildings with 6 or more units built in 1974 or later are subject to rent stabilization through tax abatement; those buildings are accounted for in the estimates of rent-protected buildings, above.

²² Average ~~asking~~ rents for units in the remaining ~~seven~~three buildings were not available through online real estate listing databases including StreetEasy, Zillow, and Trulia. For those units included in this analysis, research shows ~~asking~~ rents of averaging ~~\$2,600~~\$3,059 for a studio unit, ~~ranging from \$2,850 to \$3,200~~\$3,913 for a one-bedroom unit, ~~ranging from \$2,500 to \$4,150~~\$4,547 for a two-bedroom unit, and ~~ranging from \$3,025 to \$5,340~~\$5,759 for a three-bedroom unit.

²³ Of the 2,817 DUs planned to be built in the socioeconomic study area by the 2021 analysis year, 465 DUs (approximately 16.5 percent) are known to be affordable units.

future study area population, and Step 2 of the analysis determined that the project's increase in population could be large enough to affect real estate market conditions in portions of the study area (although the majority of the housing within ½-mile of the project site is in rent-protected units), Step 3 found that the study area has already experienced a readily observable trend toward increasing housing prices and changing characteristics of new residential development. According to the *CEQR Technical Manual*, 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. Approximately 88–83 percent of the study area's renter-occupied DUs are in buildings with one or more DU that is protected by rent control, rent stabilization, or other government regulating limiting rent increases, and therefore it is not anticipated that residents of those rent-regulated DUs are vulnerable to displacement due to increased rents. Study area renters in privately held units have already experienced a readily observable trend toward increasing housing prices and new market-rate development that has changed the nature of residential development in the neighborhood; the proposed project would not be expected to alter this trend in a manner that would lead to displacement of residents living in market-rate housing. Furthermore, up to 25 percent of the projects' units (up to 694 units of the total 2,775 units) would be permanently affordable to low-income households, with up to 5 percent of those units being permanently affordable to moderate-income households. In this respect, the proposed projects would help to preserve the mix of incomes currently found in the area. Therefore, based on *CEQR Technical Manual* guidelines, the proposed projects would not result in significant adverse environmental impacts due to indirect residential displacement, and no further analysis is warranted.

INDIRECT BUSINESS DISPLACEMENT

Similar to the analysis of indirect residential displacement, the preliminary assessment of indirect business displacement focuses on whether the proposed projects would 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 projects introduce enough of a new economic activity to alter existing economic patterns?

PROFILE OF EXISTING PRIVATE EMPLOYMENT IN THE SOCIOECONOMIC STUDY AREA

As of 2015, there were an estimated 12,153 employees in the socioeconomic study area (see **Table 3-12**). These employees represented 0.58 percent of Manhattan's private employment and 0.34 percent of New York City's total private employment.

The economic sector with the highest employment in the socioeconomic study area was Health Care and Social Assistance, representing approximately 28 percent of total employment. This is a higher percentage of total employment as compared with Manhattan and New York City, where 10.4 and 18.2 percent, respectively, are employed in the Health Care and Social Assistance sector. In the study area, 2,266 Health Care and Social Assistance employees work in Social Assistance and with another 355 employed in Ambulatory Health Care Services. Several of the Health Care and Social Assistance Employers located throughout the study area include Gouverneur Health Medical Center, CenterLight Healthcare, Community Healthcare Network,

CityMD, Betances Health Center, Henry Street Settlement, and Emblem Health Neighborhood Care Center.

Table 3-12
2015 Private Employment in Socioeconomic Study Area,
Manhattan, and New York City

| | Socioeconomic Study Area | | Manhattan | | New York City | |
|---|--------------------------|------------|------------------|------------|------------------|------------|
| | Employees | % | Employees | % | Employees | % |
| Agriculture, Forestry, Fishing, and Hunting | D | D | 128 | 0.01 | 251 | 0.01 |
| Mining | D | D | 31 | 0.001 | 31 | 0.003 |
| Utilities | D | D | 0 | 0.00 | 5,159 | 0.15 |
| Construction | 338 | 2.78 | 38,188 | 1.81 | 138,398 | 3.91 |
| Manufacturing | 413 | 3.40 | 27,181 | 1.29 | 77,472 | 2.19 |
| Wholesale Trade | 465 | 3.83 | 75,513 | 3.58 | 135,683 | 3.83 |
| Retail Trade | 1,489 | 12.25 | 161,463 | 7.65 | 344,133 | 9.71 |
| Transportation and Warehousing | 107 | 0.88 | 16,010 | 0.76 | 110,166 | 3.11 |
| Information | 122 | 1.00 | 152,694 | 7.23 | 174,761 | 4.93 |
| Finance and Insurance | 329 | 2.71 | 289,529 | 13.72 | 328,743 | 9.28 |
| Real Estate, Rental and Leasing | 581 | 4.78 | 82,938 | 3.93 | 126,558 | 3.57 |
| Professional, Scientific, and Tech. Services | 657 | 5.41 | 343,124 | 16.25 | 385,036 | 10.87 |
| Management of Companies and Enterprises | D | D | 61,472 | 2.91 | 68,662 | 1.94 |
| Administrative and Support and Waste Management and Remediation | 646 | 5.32 | 142,589 | 6.75 | 217,997 | 6.15 |
| Educational Services | 512 | 4.21 | 102,784 | 4.87 | 161,738 | 4.57 |
| Health Care and Social Assistance | 3,415 | 28.10 | 219,600 | 10.40 | 643,092 | 18.15 |
| Arts, Entertainment, and Recreation | 168 | 1.38 | 59,799 | 2.83 | 81,271 | 2.29 |
| Accommodation and Food Services | 1,752 | 14.42 | 225,525 | 10.68 | 345,089 | 9.74 |
| Other Services (except Public Administration) | 700 | 5.76 | 100,268 | 4.75 | 167,563 | 4.73 |
| Unclassified | D | D | 6,487 | 0.31 | 20,574 | 0.58 |
| Total | 12,153 | 100 | 2,111,022 | 100 | 3,542,519 | 100 |
| Notes: | | | | | | |
| ¹ Private employee counts for the socioeconomic study area are based on an aggregate of values from the QCEW, 3Q 2015 for the following 2010 Census Tracts: 2.01, 2.02, 6, 8, 10.01, 12, 14.01, 14.02, 16, 25, and 27. | | | | | | |
| ² The number of the private sector employees in Manhattan and New York City is equal to the average number of employees in the first three months of 3Q 2015. | | | | | | |
| ³ To avoid disclosing data for individual employees, the following sectors were considered non-disclosable and were symbolized with a 'D': Agriculture, Forestry, Fishing and Hunting; Management of Companies and Enterprises; Unclassified; and Utilities. DCP did include the number of non-disclosable employees in the total employee count to provide an accurate representation of the number of employees. | | | | | | |
| Sources: | | | | | | |
| NYSOL QCEW, 3Q 2015; NYSDOL QCEW, 3Q 2015 data was provided at the census tract-level for the socioeconomic study area by DCP HEIP Division (April 2017). | | | | | | |

The next largest economic sector of employment is Accommodation and Food Services, with approximately 14.4 percent of study area employment (1,752 workers). In the study area, almost all of the Accommodation and Food Services employees work in Food Services and Drinking Places sub-sector (1,626 employees or 93 percent) and a small portion work in Accommodation (126 employees or 7 percent). In Manhattan and New York City, the Accommodation and Food Services sector represented approximately 10 percent of employees each. Within the study area, Accommodation and Food Services are concentrated along East Broadway and Madison Street, and east of Allen Street, between Grand Street and East Broadway.

The third largest economic sector of employment is Retail Trade, with approximately 12.3 percent of employment in the study area. The portion of employment in the study area in the Retail Trade sector is slightly larger than that of Manhattan (approximately 8 percent) and New York City (approximately 10 percent).

Three industry sectors—Information; Finance and Insurance; and Professional, Scientific, and Technical Services—represent significantly lower levels of employment in the study area as compared with Manhattan or New York City. The Information industry represents 1.0 percent of total study area employment, whereas in Manhattan and New York City, the industry represents 7.2 and 4.9 percent of employment, respectively. The Finance and Insurance industry represents 2.71 percent of total study area employment, whereas in Manhattan and New York City, the industry represents 13.7 and 9.3 percent of employment, respectively. The Professional, Scientific, and Technical Services sector represents 5.41 percent of total study area employment, whereas in Manhattan and New York City, the industry represents 16.3 and 10.9 percent of employment, respectively.

PROFILE OF EXISTING PRIVATE BUSINESSES IN THE SOCIOECONOMIC STUDY AREA

As of 2015, there were an estimated 1,964 private sector businesses within the socioeconomic study area (see **Table 3-13**). While Health Care and Social Assistance accounted for the largest share of private employment in the study area, the Retail Trade industry sector accounted for the largest number of businesses (253 businesses, which is approximately 13 percent of all businesses in the study area). Residential buildings with ground floor, locally serving retailers are prevalent throughout the study area. Locally serving retailers concentrated along East Broadway serve low- and moderate-income residents. Stores on East Broadway include Double Q and Q Fashion, Inc.; Crystal Love; and Li Li Cosmetics. Retail businesses in the study area concentrated east of Allen Street between Grand Street and East Broadway serve both a low-price point market and a niche market with a higher price point. Stores east of Allen Street include T-Shirt Express, but also Alexander Olch, a men's clothing boutique; Billykirk, a men's accessories boutique; and Strange Loop Art Gallery. There do not appear to be any large-scale retail businesses in the study area that would serve regional markets.

The second- and third-most prevalent private business sectors in the study area were Accommodation and Food Services, and “Other Services (except Public Administration),” representing approximately 13 and 10 percent of study area businesses, respectively. The Accommodation and Food Services industry is slightly less represented in Manhattan (7.7 percent of private businesses in Manhattan) and New York City (8.2 percent of private businesses New York City). The “Other Services (except Public Administration)” industry is slightly more represented in Manhattan (16.1 percent of private businesses in Manhattan) and New York City (13.6 percent of private businesses in New York City).

The proposed projects would facilitate the introduction of new residential, commercial, and community facility uses. With the proposed projects, the residential uses would include a combination of permanently affordable and market-rate units, and the commercial uses would include ground-floor retail. As discussed and shown in **Tables 3-12 through 3-14**, the project sites and broader socioeconomic study area have well-established residential and retail markets such that the proposed projects would not be introducing new economic activities to the project sites or to the study area. Similarly, the study area has a well-established network of community facilities within close proximity to the proposed projects including: the Chinatown YMCA Cornerstone (at the intersection of Clinton and South Streets); Henry Street Settlement (located on Madison Street between Gouverneur and Jackson Streets); and Grand Street Settlement at Rutgers Community Center (located on Madison Street between Rutgers and Pike Streets).

Table 3-13

**2015 Private Businesses in Socioeconomic Study Area,
Manhattan, and New York City**

| | Socioeconomic Study Area | | Manhattan | | New York City | |
|---|--------------------------|------------|----------------|------------|----------------|------------|
| | Firms | % | Firms | % | Firms | % |
| Agriculture, Forestry, Fishing, and Hunting | D | D | 20 | 0.02 | 48 | 0.02 |
| Mining | D | D | 8 | 0.01 | 8 | 0.00 |
| Utilities | D | D | 0 | 0.00 | 31 | 0.01 |
| Construction | 63 | 3.21 | 2,218 | 1.76 | 13,083 | 5.00 |
| Manufacturing | 54 | 2.75 | 2,188 | 1.73 | 5,759 | 2.20 |
| Wholesale Trade | 119 | 6.06 | 8,299 | 6.57 | 15,173 | 5.80 |
| Retail Trade | 314 | 15.99 | 11,092 | 8.78 | 32,306 | 12.36 |
| Transportation and Warehousing | 34 | 1.73 | 787 | 0.62 | 4,821 | 1.84 |
| Information | 42 | 2.14 | 4,898 | 3.88 | 6,420 | 2.46 |
| Finance and Insurance | 63 | 3.21 | 8,170 | 6.47 | 11,979 | 4.58 |
| Real Estate, Rental and Leasing | 152 | 7.74 | 10,952 | 8.67 | 21,006 | 8.03 |
| Professional, Scientific, and Tech. Services | 166 | 8.45 | 20,225 | 16.02 | 29,908 | 11.44 |
| Management of Companies and Enterprises | D | D | 1,170 | 0.93 | 1,469 | 0.56 |
| Administrative and Support and Waste Management and Remediation | 76 | 3.87 | 6,007 | 4.76 | 10,945 | 4.19 |
| Educational Services | 27 | 1.37 | 1,867 | 1.48 | 4,046 | 1.55 |
| Health Care and Social Assistance | 138 | 7.03 | 7,932 | 6.28 | 22,716 | 8.69 |
| Arts, Entertainment, and Recreation | 36 | 1.83 | 4,125 | 3.27 | 5,685 | 2.17 |
| Accommodation and Food Services | 253 | 12.88 | 9,715 | 7.69 | 21,552 | 8.24 |
| Other Services (except Public Administration) | 195 | 9.93 | 20,305 | 16.08 | 35,513 | 13.58 |
| Unclassified and Non-Disclosable | D | D | 6,277 | 4.97 | 18,959 | 7.25 |
| Total | 1,964 | 100 | 126,275 | 100 | 261,473 | 100 |

Notes:

¹ Private firm counts for the socioeconomic study area are based on an aggregate of values from the QCEW, 3Q 2015 for the following 2010 Census Tracts: 2.01, 2.02, 6, 8, 10.01, 12, 14.01, 14.02, 16, 25, and 27.

² The number of the private sector firms in Manhattan and New York City are based on aggregate values from 3Q 2015.

³ To avoid disclosing data for individual firms, the following sectors were considered non-disclosable and were symbolized with a 'D.' Agriculture, Forestry, Fishing and Hunting; Management of Companies and Enterprises; Unclassified; and Utilities. DCP did include the number of non-disclosable employees in the total employee count to provide an accurate representation of the number of employees.

Sources:

NYSDOL QCEW, 3Q 2015; NYSDOL QCEW, 3Q 2015 data was provided at the census tract-level for the socioeconomic study area by DCP HEIP Division (April 2017).

Table 3-14

Existing Land Uses and Incremental Land Uses under the Proposed Projects

| Use ¹ | Existing Amount on Project Sites | Existing Amount in Socioeconomic Study Area ² | Incremental Amount Introduced under the Proposed Projects | Percent Change between Existing Condition and With Action |
|---------------------|----------------------------------|--|---|---|
| Residential | 1,053 DUs | 24,974,25,704 DUs | 2,775 DUs | 44.4-10.8 |
| Commercial (Retail) | 13,660 gsf | 4,824,2991,834,715 gsf | 40,88810,858 gsf | 0.69 |

Notes:

¹ Community facility data not available.

² The amount of residential and commercial (retail) floor area in the socioeconomic study area is based on 20162018 MapPLUTO data that includes development projects for which building permits have been issued but construction may or may not have started.

Sources:

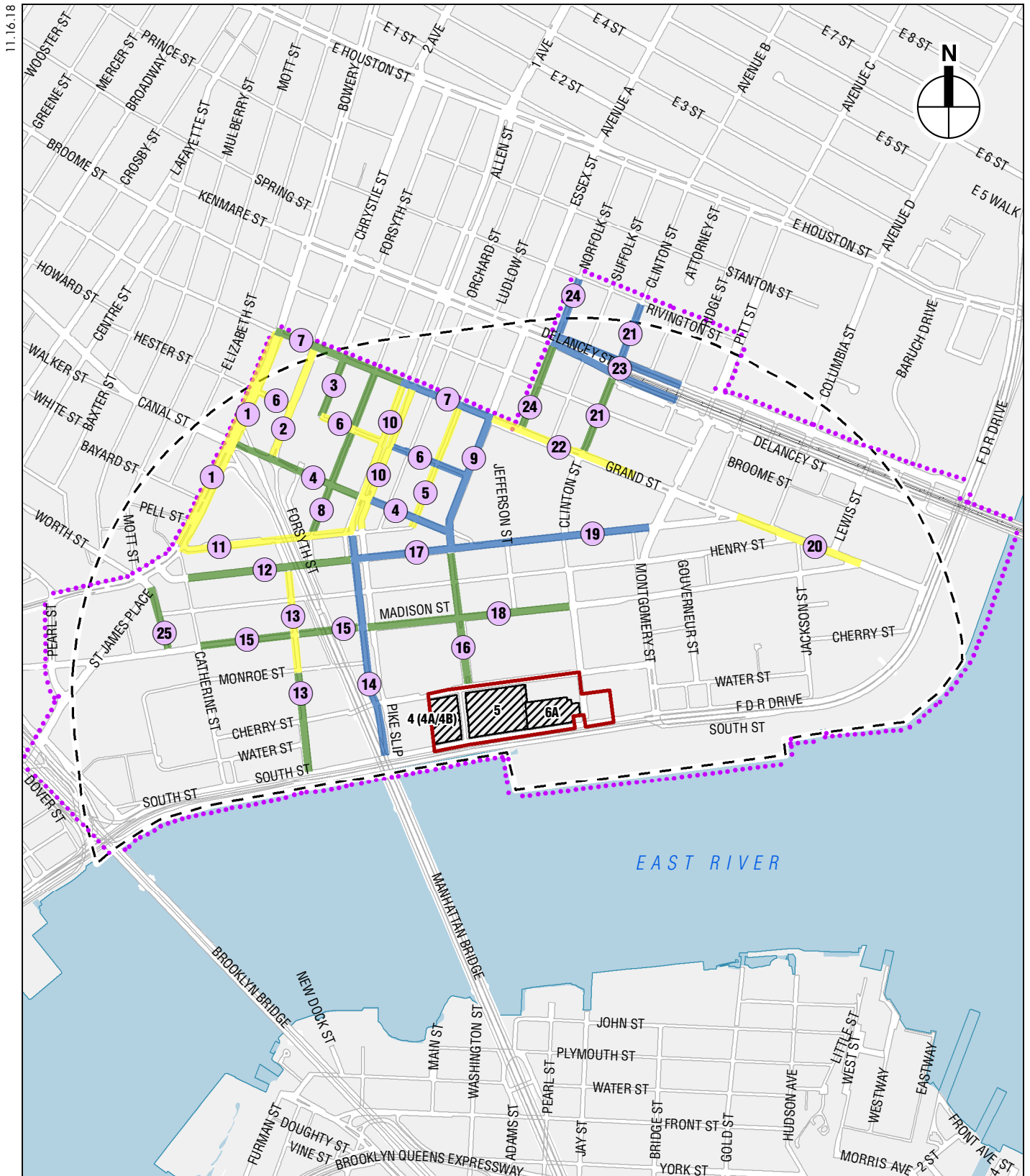
Existing use estimates for project sites and incremental use amounts introduced in the future with the proposed projects were provided by DCP and were based on 20162018 MapPLUTO data. Existing use estimates for the socioeconomic study area based on 20162018 MapPLUTO GIS data.

2. Would the proposed projects 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?

There is an existing trend of increased commercial rents and business displacement within certain retail concentrations in the study area. **Table 3-15** identifies the major retail corridors in the study area, characterizing the types of stores in 2009 against current conditions, and presenting the estimated current vacancy rates of the corridors based on field surveys conducted in July 2017. **Figure 3-5** illustrates the extent of retail turnover for each study area retail concentration.

There are numerous factors that influence commercial market conditions in the study area. *The Plan for Chinatown and Surrounding Areas: Preserving Affordability and Authenticity, Recommendations to the Chinatown Working Group* reports major challenges facing businesses include loss of customers and increased rent. The changing demographics of the neighborhood contribute directly to these challenges. As household incomes and rents in the study area have risen over the past decade (see **Table 3-1, Table 3-3, and Table 3-4**), some lower price-point businesses on specific retail corridors in the study have been replaced with higher price-point businesses. For example, as shown in **Table 3-15**, Essex Street between Canal Street and Grand Street has experienced major retail turnover as businesses including a discounted electrical appliance store, a psychic, and several Asian fast food eateries have been replaced with boutique eateries or, in one case, demolished. Another example includes Pike Street between Division Street and South Street where an Asian supermarket, herbal medicine shop, and import-export company have been replaced with a Fairfield Inn and Suites and newly constructed boutique offices and condominiums. According to *The Plan for Chinatown and Surrounding Areas: Preserving Affordability and Authenticity, Recommendations to the Chinatown Working Group*, Kam Kuo Supermarket, a 6-story grocery store selling low price-point food items, closed and was replaced by a professional office building in 2009.

Under CEQR, which focuses on environmental, rather than strictly economic considerations, the focus of concern is whether a project could change market conditions in a way that leads to divestment in a neighborhood, and adverse neighborhood character effects. Trends such as those exemplified by East Broadway, where a portion of the road that is east of Pike Street is characterized as “major turnover” and a portion of the road that is west of Pike Street is characterized as “low turnover,” are economic phenomena because the market is responding to



Project Sites

Boundary of Two Bridges LSRD

Socioeconomic Study Area

1/2-mile boundary

Reference Number (see Table 3-13)

Major Turnover Corridor since 2009

Medium Turnover Corridor since 2009

Low Turnover Corridor since 2009

Trend in Retail Turnover in the
Socioeconomic Study Area Since 2009

TWO BRIDGES LSRD

Figure 3-5

changes in demand, in part due to a changing demographic consumer base. Both east and west of Pike Street, storefronts on East Broadway have an estimated 10 percent vacancy rate.

The proposed projects' commercial uses would not be of a scale that could alter or accelerate study area trends. Commercial uses resulting from the proposed projects only include retail uses. In terms of retail uses, there currently exists 13,660 gsf of retail floor area on the project sites and approximately 1.8 million gsf of retail floor area in the study area.²⁴ In the future No Action condition, there would be a total of 16,784 gsf of retail space on the project sites (accounting for the retensing of currently vacant retail space on Site 4 [4A/4B]). The proposed projects would add an increment of ~~10,888~~ 858 gsf of retail space. It is the applicants' intent that the additional retail space would enhance the streetscape and pedestrian environment, as well as strengthen local retail opportunities.

As compared to its commercial uses, the proposed projects' population would have a greater potential to influence retail trends in the study area. New residents' average income would be greater than the average income of current residents, and they would represent a sizeable portion of the study area's residential consumer base (the proposed projects' population would represent approximately ~~8.88~~ 6 percent of the overall study area population by 2021). However, as described in the residential assessment above, the study area overall, including areas closer to the project sites, are expected to see demographic change in the future without the projects, as market-rate units planned for the area will bring higher-income residents. Recent and planned developments include 815 market-rate condominiums at One Manhattan Square, located adjacent to Site 4; 50 Clinton Street, a 37-unit condominium building; 50 Norfolk Street, a 488-unit mixed-use building; 136 Baxter Street, an 11-unit luxury condominium building; and 123 Baxter Street, a 23-unit boutique, full-service condominium building. Planned projects and the proposed projects would contribute to this trend, which in turn could lead to additional displacement of some retail uses.

²⁴ The amount of commercial (retail) floor area in the socioeconomic study area is based on ~~2016~~ 2018 MapPLUTO data that includes development projects for which building permits have been issued but construction may or may not have started.

Table 3-15
Trends in Retail Turnover in the Socioeconomic Study Area
2009–Current

| Fig. 3-6 Map ID | Retail Corridor | Past Conditions | Current Conditions | Estimated Vacancy Rate |
|----------------------------|--|--|---|---------------------------------------|
| 1 | Bowery Street (Division St. to Grand St.) | Predominantly Chinese businesses including restaurants, beauty parlors, healthcare stores, and flower shops. | <i>Low turnover.</i> Similar composition of businesses. Four stores are shuttered or available for rent and a number of large construction projects are underway, including a high-rise hotel | 9% |
| 2 | Chrystie Street (Canal St. to Grand St.) | Predominantly Chinese businesses including food markets, beauty parlors, cell phone repair stores, restaurants, driving school, and kitchen supply stores. | <i>Medium turnover.</i> Still mainly Chinese businesses but a number of changes have occurred. Several supply stores have been replaced by higher-end Chinese restaurants. Others appear to be permanently shuttered. | 21% |
| 3 | Forsyth Street (Hester St. to Grand St.) | Predominantly Chinese businesses including cafes, a plumbing store, a wireless store, hair salons, and restaurants. | <i>Low turnover.</i> Similar composition of businesses. | 21% |
| 4 | Canal Street (Bowery to Essex St.) | Predominantly Chinese businesses including an acupuncturist, restaurants, a printing shop, supply stores, and hair salons. There are also several jewelry stores (some wholesale), a deli, and electric appliance stores. One French café. | <i>Medium turnover.</i> Though Chinese businesses remain there is noticeable turnover east of Allen Street, several lower end Chinese businesses have become trendy cafes, boutiques, or a tattoo parlor. West of Allen Street to Bowery and the edge of the study area remains largely unchained with little turnover. | 24% |
| 5 | Ludlow Street (Division St. to Grand St.) | Businesses include a seafood store, a catering company, a laundromat, and other Chinese businesses. Many storefronts appear shuttered and vacant. | <i>Medium turnover.</i> Several boutique eateries and art spaces have opened. A Stanley's pharmacy has replaced a Chinese business though most others appear to remain. | 41% |
| 6 | Hester Street (Bowery to Essex St.) | Predominantly Chinese businesses including restaurants, a barbershop, printing shops, an internet café, and health care shops. East of Allen Street are two trendy coffee shops and one trendy clothing store. | <i>Medium turnover.</i> Similar composition of businesses from Bowery to Allen Street, with noticeable turnover east of Allen Street where several trendy stores have located in conjunction with new developments. | 15% |

Table 3-15 (cont'd)
Trends in Retail Turnover in the Socioeconomic Study Area
2009–Current

| Fig. 3-6 Map ID | Retail Corridor | Past Conditions | Current Conditions | Estimated Vacancy Rate |
|--------------------|---|---|--|------------------------------|
| 7 | Grand Street (Bowery to Essex St.) | A major retail corridor, large numbers of predominantly Chinese businesses including many food and fish markets, a travel agency, variety stores, and restaurants. East of Allen Street are two middle- to high-end interior decoration stores and one trendy café. | <i>Low to Major turnover.</i> Similar composition of businesses west of Allen Street. East of Allen Street there is high turnover, with several shuttered storefronts and a new development. | 7% |
| 8 | Eldridge Street (Division St. to Grand St.) | Large number of small Chinese businesses including restaurant supply shops, postal shops, Chinese fast food eateries, DVD stores, and internet cafes. | <i>Low turnover.</i> Similar composition of businesses throughout the corridor. | 27% |
| 9 | Essex Street (Canal St. to Grand St.) | Businesses include a discounted electrical appliance shop, a paint store, sign stores, a psychic, a DVD shop, grocery store, tile company, a pizzeria, and several Chinese fast food eateries. There are a few vacant stores. | <i>Major turnover.</i> Several of the previously vacant stores have opened as boutiques and most of the Chinese eateries and the psychic have been replaced by higher-end boutique eateries. Some smaller stores have also closed and one building demolished and is currently a vacant lot. | 29% |
| 10 | Allen Street (Division St. to Grand St.) | Mainly Chinese businesses, small to medium sized including a wholesale food distribution company, laundromats, printing shops, and salons. | <i>Low turnover.</i> Similar composition of businesses throughout the corridor with the addition of more fast bus companies. The wholesale food distributor has been displaced and replaced by a new high-end building. | 25% |
| 11 | Division Street (Chatham Square to Allen St.) | Mostly Chinese businesses including seafood restaurants, hardware stores, a dance studio, kitchen supply companies, and one Mobil gas station on the corner with Allen Street. | <i>Low turnover.</i> The gas station has been demolished and one trendy bakery has opened near the corner of Division and Bowery. | 11% |
| 12 | East Broadway (Catherine St. to Pike St.) | A major retail corridor, mostly Chinese businesses including immigration law offices, restaurants, Chinese banks, food markets, a wedding center, and cosmetic shops. | <i>Low turnover.</i> Similar business composition throughout the corridor. | 11% |
| 13 | Market Street (Division St. to South St.) | No businesses below Monroe Street. Above Monroe mainly Chinese businesses including service business such as graphics companies and printing companies, as well as wholesale food markets and restaurants. | <i>Low turnover.</i> A new commercial building at East Broadway and Market Street (70 East Broadway) is under construction in the former location of a wonton restaurant. | 33% |

Table 3-15 (cont'd)
Trends in Retail Turnover in the Socioeconomic Study Area
2009–Current

| Fig. 3-6 Map ID | Retail Corridor | Past Conditions | Current Conditions | Estimated Vacancy Rate |
|--------------------|--|--|---|------------------------------|
| 14 | Pike Street (Division St. to South St.) | No businesses at all below Henry Street apart from an auto repair garage. Above Henry Street mainly Chinese businesses including a large supermarket, herbal medicine shops, hair salons, and import export companies. | <i>Major Turnover.</i> The auto repair garage has been replaced by a Comfort Inn. Most businesses remain north of Henry Street but the large supermarket has been replaced by a newly built Fairfield Inn and Suites. A new building advertised as “boutique offices and condominiums” is under construction on the corner of Pike and East Broadway. | 0% |
| 15 | Madison Street (Catherine St. to Pike St.) | Mainly Chinese businesses including laundromats, a hardware store, restaurants, parking lots, and beauty salons. | <i>Low turnover.</i> Similar composition of businesses. | 27% |
| 16 | Rutgers Street (Cherry St. to Canal St.) | Mainly Chinese businesses including a supermarket, a dollar store, laundromats, and a bodega. No businesses south of Madison Street. | <i>Low turnover.</i> Similar composition of businesses. | 20% |
| 17 | East Broadway (Pike St. to Clinton St.) | A major retail corridor, mainly Chinese businesses including fast bus companies, food markets, check cash offices, restaurants, and a dollar store. | <i>Major turnover.</i> A drycleaners has been replaced by a food market, several spaces are newly available for rent or have recently opened boutique stores (some because their buildings were renovated) including the dollar store. A trendy brunch spot and a coffee shop have opened and a pizza and smoothie shot has replaced a former Chinese business. Several other businesses have closed as their buildings are gut renovated. 201 East Broadway has been demolished and a new building is under construction in its place. | 10% |
| 18 | Madison Street (Pike St. to Clinton St.) | Mix of Chinese and non-Chinese businesses including restaurants, a deli, a cleaners, a dollar store, and nail salons. | <i>Low turnover.</i> A boutique art supply store has opened and a Dunkin Donuts has replaced a pizzeria but otherwise little noticeable turnover. | 26% |
| 19 | East Broadway (Clinton St. to Montgomery St.) | Few businesses apart from two delis and a hair studio, several storefronts shuttered. | <i>Major turnover.</i> A trendy internet café has replaced one of the delis and a higher end restaurant has replaced the other. A trendy hair studio has replaced a hair salon with lower price points, and a boutique “Ice and Vice” shop has opened up. | 10% |

Table 3-15 (cont'd)
Trends in Retail Turnover in the Socioeconomic Study Area
2009–Current

| Fig. 3-6 Map ID | Retail Corridor | Past Conditions | Current Conditions | Estimated Vacancy Rate |
|---|--|--|---|------------------------------|
| 20 | Grand Street (East Broadway to Madison St.) | Mix of businesses including a dollar store, drycleaners, two pizzerias, and two restaurants. A bike shop and supermarket are further down the street. | <i>Medium turnover.</i> The bike shop and supermarket remain. The Chinese restaurant has been replaced by a trendy café and the other restaurant renovated and reopened to appear higher end than before. Otherwise not much change. | 4% |
| 21 | Clinton Street (Grand St. to Rivington St.) | No businesses south of Delancey Street (site of the current Essex Crossing Development). North of Delancey Clinton is a major retail corridor with a mix of businesses, many discount stores. These include wholesale gold and silver stores, legal offices, bodegas, several nail salons, a Chinese supermarket, car service dispatch offices, and a family restaurant. | <i>Major turnover.</i> Several businesses have closed and several newly renovated storefronts are available for rent or have reopened boutiques north of Delancey Street. | 26% |
| 22 | Grand Street (Essex St. to approx. Ridge St.) | Not a major retail corridor, some businesses are located on the north side of the street including a Bakery, a tax preparation center, and a Rite Aid. | <i>Medium turnover.</i> The bakery has been replaced by a Chinese restaurant and the tax preparation center by a flower shop. Next door a large new development is rising. | 5% |
| 23 | Delancey Street (Norfolk St. to Ridge St.) | A major retail corridor, mix of businesses offering low- to medium-price-point goods, including a children's clothing store, a gold wholesale shop, a shoe store, as well as several Chinese stores and restaurants. Several storefronts are shuttered and appear vacant. | <i>Major turnover.</i> Boutique food markets and eateries have replaced some of the Chinese stores and restaurants, and several more appear to have closed and more have been replaced by boutique stores and eateries. Some stores remain, however. | 24% |
| 24 | Norfolk Street (Grand St. to Rivington St.) | No retail businesses south of Delancey Street (site of the current Essex Crossing Development). North of Delancey there are several business including a wholesale gold store and a brokerage office, though not as many businesses as on nearby streets. Many of the storefronts are shuttered and available for rent. | <i>Major turnover.</i> The brokerage office has been replaced by an art gallery and several of the buildings on the block are or have been gut-renovated. Boutique eateries and clothing stores have opened though some storefronts remain shuttered and available for rent north of Delancey Street. | 0% |
| 25 | Oliver Street (Madison St. to St. James Pl.) | Not a major retail corridor though there are some businesses including a Chinese pharmacy, a Japanese restaurant, a beauty supply shop, and a hardware store. | <i>Low turnover.</i> All of these businesses remain in place. | 17% |
| Sources: Past conditions characterizations are based on desktop observation of historic Google Streetview images from 2008 and 2009. Current conditions data based on most recent Google Streetview images (generally 2015 and 2016) and AKRF field surveys performed in February and July 2017. | | | | |

Existing study area retail establishments most vulnerable to indirect displacement would be those in the immediate vicinity of the project sites, where property values and rents could increase due to increased pedestrian activity and consumer incomes. While these retail establishments could potentially benefit from the increase in activity, stores that struggle to produce sales growth proportionate to rent increases would still be vulnerable to displacement.²⁵ Convenience stores and other retailers that cater primarily to a low- and moderate-income customer base may be less likely to capture spending dollars from the more affluent households introduced by the proposed projects. However, there currently exist a substantial amount of rent-protected housing units in the study area, the residents of which are not vulnerable to potential indirect residential displacement and who contribute to the demand for lower price point goods within the neighborhood.

The proposed projects would add up to 694 DUs of permanently affordable housing, including low- and moderate-income residents who demand goods and services at a range of price points. This would help to maintain neighborhood affordability and the overall consumer demand in the area at lower price points. While some additional retail stores might open that cater to households with higher incomes, with the proposed projects there would continue to be a wide variety of household incomes, and over the long term, the permanently affordable housing could serve to maintain neighborhood affordability and preserve a mix of retail use types and price points in the study area.

Although some retail stores may be indirectly displaced, their displacement would not constitute a significant adverse environmental impact under CEQR. While all businesses contribute 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 potentially displaced businesses 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. Stores most vulnerable to indirect displacement would not meet these criteria. In addition, storefronts that are vacated due to indirect displacement would not remain vacant; they would turn over to other retail or community facility uses that could better capitalize on the market. The proposed projects would generate additional local demand for neighborhood retail and services necessary to maintain a strong retail presence along the major retail corridors in the study area. The additional population resulting from the proposed projects is not so large as to substantially transform the retail character of the neighborhood. Therefore, the limited indirect business displacement that could result from increased rents would not lead to vacancies and disinvestment within nearby commercial strips, would not result in adverse changes to neighborhood character, and would not result in significant adverse socioeconomic impacts.

3. Would the proposed projects 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 projects would not directly displace uses that offer critical support services to local businesses, or that draw a substantial customer base to the study area. As noted in the screening-level assessment of direct business displacement, the proposed projects have the

²⁵ Source: The Plan for Chinatown and Surrounding Areas: Preserving Affordability and Authenticity, Recommendations to the Chinatown Working Group, Pratt Center for Community Development, The collective for Community, Culture and the Environment. December 2013.

potential to directly displace one business, a Stop 1 Food Market, with an estimated 10 employees. The Stop 1 Food Market does not draw large volumes of customers to its location relative to the overall consumer draw within the study area, nor is the business relied upon exclusively for products or services by other business establishments in the study area. Therefore, the potential displacement of this business would not have a significant adverse effect on the remaining businesses or consumers in the study area.

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

The proposed projects 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 projects, any potential loss of existing residential customers would be more than offset by the introduction of a new residential population on the project sites; the projects' 2,775-DU increment would grow the customer base for study area businesses.

Based on the above consideration of CEQR criteria, this preliminary assessment finds that the proposed projects 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 projects 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 projects 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 as 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 projects significantly affect business conditions in any industry or any category of business within or outside the study area?

The proposed projects would not significantly affect the business conditions in any industry or category of business within or outside the study area. As described in the direct business displacement screening assessment, by 2021 the proposed projects would potentially directly displace one Accommodation and Food Service sector business with an estimated 10 employees.

As described above, conservatively assuming this business were to be displaced, it does not represent a critical mass of businesses within any City industry, category of business, or category of employment. Although the business is valuable to the City's economy, the goods and services offered by the potentially displaced use could be found elsewhere within the socioeconomic study area, within the broader trade area, and within the City as a whole. Furthermore, the products and services offered by the business that would potentially be displaced are not expected to be essential to the viability of other businesses within or outside the study area. Therefore, the proposed projects would not affect business conditions in any specific industry within or outside the study area.

2. Would the proposed projects 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 projects would not result in significant indirect business displacement. Therefore, the proposed projects 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 projects would not result in significant adverse impacts due to adverse effects on specific industries. *