

Chapter 3: Socioeconomic Conditions

A. INTRODUCTION

This chapter assesses whether the Proposed Actions would result in significant adverse impacts to the socioeconomic character of the area within and surrounding portions of three waterfront blocks (part of Blocks 2355, 2361, and 2376) and two adjacent upland blocks (part of Blocks 2356 and 2362) bounded by North 3rd Street to the north, Kent Avenue to the west, North 1st Street and Grand Ferry Park to the south, and to the east by the East River Street in Williamsburg, Brooklyn. As described in the 2020 *City Environmental Quality Review (CEQR) Technical Manual*, the socioeconomic character of an area includes its population, housing, and economic activities. 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 a CEQR analysis is to disclose whether any changes created by the action would have a significant adverse impact compared to what would happen in the future without the Proposed Actions.

As described in Chapter 1, “Project Description,” the Proposed Actions involve a series of zoning actions including changes to the City Map, a zoning map change, zoning text amendments, zoning authorizations, a zoning certification, and special permits, that would facilitate the construction of an approximately 1.336 million gross square-foot (gsf) mixed-use residential, commercial, and community facility development, consisting of two towers on an approximately three acre site (“Development Site”) in the Williamsburg neighborhood of Brooklyn Community District (CD) 1. In addition, as part of the reasonable worst-case development scenario (RWCDs), a non-Applicant owned Projected Development Site at 230 Kent Avenue (Block 2362, Lot 1) is expected to be improved with a three-story, approximately 20,223 gsf mixed-use light industrial, commercial and community facility building as a result of the proposed zoning change. The incremental (net) change between the No-Action and With-Action conditions that would result from the Proposed Actions would be a net increase of 1,250 dwelling units (DUs), including 313 affordable units, 56,741 gsf of community facility space, 5,500 gsf of office, and 2.9 acres of publicly accessible open space (plus 2.32 acres of secondary contact accessible in-river space and 0.86 acres of intertidal area), and a net decrease of approximately 102,100 gsf of last-mile delivery facility space, 68,000 gsf of light manufacturing/maker space, 94,750 gsf of warehouse uses, 60,100 gsf of destination retail, and 349 parking spaces. The Construction on the Development Site under the RWCDs would be completed by 2027.

In accordance with *CEQR Technical Manual* guidance, this socioeconomic assessment considers whether the Proposed Actions could result in significant adverse socioeconomic impacts due to: (1) direct residential displacement; (2) direct business and institutional displacement; (3) indirect residential displacement; (4) indirect business and institutional displacement; and/or (5) adverse effects on specific industries.

B. PRINCIPAL CONCLUSIONS

A preliminary assessment was conducted based on the methodology set forth in the *CEQR Technical Manual*, and determined that the Proposed Actions would not result in a significant adverse impact related to socioeconomic conditions. The Proposed Actions would not result in any significant adverse impacts to the five socioeconomic areas studied under CEQR including direct residential displacement, direct business/institutional displacement, indirect residential displacement, indirect business/institutional displacement, and adverse effects on specific industries, in accordance with *CEQR Technical Manual* guidance. The Proposed Actions would not result in the direct displacement of any residents or businesses, or adverse effects on specific industries, and the incremental commercial uses would not represent a substantial new use warranting assessment of potential indirect business displacement. With respect to potential indirect residential displacement, a preliminary assessment finds that the average income of the project-generated population is expected to be similar to or lower than the current average in the ½-mile study area as well as the future population, given existing trends of household incomes in the area. The permanently affordable housing added by the Proposed Actions pursuant to the Mandatory Inclusionary Housing (MIH) program would help to maintain a more diverse demographic composition within the study area than would otherwise exist. Therefore, the Proposed Actions would not introduce a new concentration of higher-income residents that could alter rental market conditions in the study area, and there would be no significant adverse impacts due to indirect residential displacement.

C. METHODOLOGY

Under CEQR, the socioeconomic character of an area is defined by its population, housing, and economic activities. The assessment of socioeconomic conditions usually distinguishes between the socioeconomic conditions of an area's residents and businesses. However, Proposed Actions can affect either or both of these segments in similar ways: they may directly displace residents or businesses; or they may alter one or more of the underlying forces that shape socioeconomic conditions in an area and thus may cause indirect displacement of residents or businesses. The objective of the CEQR analysis is to disclose whether any changes created by the Proposed Actions would have a significant impact compared with what would happen in the future without the Proposed Actions (i.e., the "No-Action Condition").

Direct displacement is defined as the involuntary displacement of residents, businesses, or institutions from the actual site of (or sites directly affected by) a proposed project or action. Examples include the proposed redevelopment of a currently occupied site for new uses or structures, or a proposed easement or right-of-way that would take a portion of a parcel and thus render it unfit for its current use. Since the occupants of a site are usually known, the disclosure of direct displacement focuses on specific businesses and employment and an identifiable number of residents and workers.

Indirect or secondary displacement is defined as the involuntary displacement of residents, businesses, or employees in an area adjacent to, or close to, a project or development site that results from changes in socioeconomic conditions created by a proposed project or action. Examples include rising residential rents in an area that result from a new concentration of higher-income housing introduced by a project, which ultimately could make existing housing unaffordable to lower income residents; a similar turnover of industrial to higher-rent commercial tenancies induced by the introduction of a Class A office project in an area; or the flight from a neighborhood that can occur if a proposed project or action creates conditions that break down the community (such as a highway dividing the area). Unlike direct displacement, the exact occupants to be indirectly displaced are not known. Therefore, an assessment of

indirect displacement usually identifies the size and type of groups of residents, businesses, or employees potentially affected.

Even if projects do not directly or indirectly displace businesses, they may affect the operation and viability of a major industry or commercial operation in the City. An example would be new regulations that prohibit or restrict the use of certain processes that are critical to certain industries. In these cases, the CEQR review may involve the assessment of the economic impact of the project on the specific industry in question.

Determining Whether a Socioeconomic Assessment Is Appropriate

According to the *CEQR Technical Manual*, a socioeconomic assessment should be conducted if an action may be reasonably expected to create socioeconomic changes within the area affected by the action that would not be expected to occur without the Proposed Actions (i.e., No-Action condition). The following initial screening assessment considers threshold circumstances identified in the *CEQR Technical Manual* and bulleted below, that can lead to socioeconomic changes warranting further assessment.

The Proposed Actions include zoning map and text amendments, changes to the City Map, a zoning authorization, a zoning certification, and special permits affecting roughly 10-acres in Williamsburg, Brooklyn (the "Project Area"). The reasonable worst-case development scenario (RWCDs) assumes that the Proposed Actions would result in an incremental (net) increase of approximately 1,250 DUs, including 313 affordable units, 56,741 gsf of community facility space, 5,500 gsf of office, and 2.9 acres of publicly accessible open space (plus 2.32 acres of secondary contact accessible in-river space and 0.86 acres of intertidal area), and a net decrease of approximately 102,100 gsf of last-mile delivery facility space, 68,000 gsf of light manufacturing/maker space, 94,750 gsf of warehouse uses, 60,100 gsf of destination retail, and 349 parking spaces, compared to No-Action conditions.

- ***Direct Residential Displacement: Would the proposed actions directly displace residential population to the extent that the socioeconomic character of the neighborhood would be substantially altered? Displacement of fewer than 500 residents would not typically be expected to alter the socioeconomic character of a neighborhood.***

The Proposed Development Site and Projected Development Site are zoned M3-1 and do not currently contain any residential units. As such, the Proposed Actions and associated RWCDs would not result in any direct residential displacement, and therefore, would not result in significant adverse impacts due to direct residential displacement.

- ***Direct Business Displacement: Would the proposed actions directly displace more than 100 employees, or directly displace a business whose products or services are uniquely dependent on its location, are the subject of policies or plans aimed at its preservation, or serve a population uniquely dependent on its services in its present location? If so, assessments of direct business displacement and indirect business displacement are appropriate.***

The Proposed Development Site and Projected Development Site are ~~vacant~~ undeveloped and do not contain any existing businesses. The Proposed Development Site currently accommodates a mini-golf course, an urban farm, and storage/parking but these uses are temporary in nature pending development of the site. As such, the Proposed Actions and associated RWCDs would not result in any direct business

or institutional displacement, and therefore, are not expected to result in significant adverse impacts due to direct business or institutional displacement.

- ***Indirect Residential and/or Business Displacement due to Increased Rents: Would the proposed actions result in substantial new development that is markedly different from existing uses, development, and activities within the neighborhood? Residential development of 200 units or less or commercial development of 200,000 sf or less would typically not result in significant socioeconomic impacts. For projects exceeding these thresholds, an assessment of indirect residential displacement and indirect business displacement is appropriate.***

The Proposed Actions and associated RWCDs would introduce approximately 1,250 DUs as compared to the No-Action condition, which would exceed the 200-unit *CEQR Technical Manual* threshold. Therefore, a preliminary assessment of potential indirect residential displacement is warranted, and is provided in Section D.

The Proposed Actions and associated RWCDs would also introduce a net increase of approximately 56,741 gsf of community facility space, and 5,500 gsf of office, as well as a net decrease of approximately 102,100 gsf of last-mile delivery facility space, 68,000 gsf of light manufacturing/maker space, 94,750 gsf of warehouse uses, and 60,100 gsf of destination retail, which would not exceed the 200,000 gsf *CEQR Technical Manual* threshold for non-residential development. Therefore, an assessment of potential indirect business displacement is not warranted.

- ***Indirect Business Displacement due to Retail Market Saturation: Would the proposed actions result in a total of 200,000 sf or more of retail on a single development site or 200,000 sf or more of regional-serving retail across multiple sites? This type of development may have the potential to draw a substantial amount of sales from existing businesses within the study area, resulting in indirect business displacement due to market saturation.***

The Proposed Actions would introduce less retail space than the No-Action condition. Moreover, the Proposed Actions would not result in 200,000 sf or more of retail on a single development site or 200,000 sf or more of region-serving retail across multiple sites. Therefore, an assessment of indirect business displacement due to retail market saturation is not warranted.

- ***Adverse Effects on Specific Industries: Is the project expected to affect conditions within a specific industry? This could affect socioeconomic conditions if a substantial number of workers or residents depend on the goods or services provided by the affected businesses, or if the project would result in the loss or substantial diminishment of a particularly important product or service within the city.***

The Proposed Actions would not result in development warranting an assessment of direct or indirect business displacement; therefore, an assessment for adverse effects on specific industries is not warranted.

Based on the screening assessment, the Proposed Actions would warrant an assessment of indirect residential displacement.

Analysis Format

Following *CEQR Technical Manual* guidance, the socioeconomic analysis of potential indirect residential displacement begins with a preliminary assessment. The purpose of the preliminary assessment is to learn enough about the effects of the Proposed Actions to either rule out the possibility of significant adverse impacts, or determine that a more detailed analysis is warranted. A detailed analysis, when required, is framed in the context of existing conditions and evaluations of the future without the Proposed Actions and the future with the Proposed Actions by the project build year of 2027.

For the analysis of indirect residential displacement presented below, Step 1 of the *CEQR Technical Manual's* preliminary assessment was sufficient to conclude that the Proposed Actions would not result in any significant adverse socioeconomic impacts.

Study Area Definition

A socioeconomic study area is the area within which the Proposed Actions have the greatest potential to directly or indirectly affect population, housing, and economic activities. A study area typically encompasses a project or development site and adjacent areas within an approximately 400-foot, $\frac{1}{4}$ -mile, or $\frac{1}{2}$ -mile radius, depending upon the project size and area characteristics. According to the *CEQR Technical Manual*, the larger $\frac{1}{2}$ -mile study area is appropriate for projects that would potentially increase the $\frac{1}{4}$ -mile area population by more than five percent. Under the With-Action condition, the Proposed Actions would increase the $\frac{1}{4}$ -mile population (15,711 as estimated for 2020¹) by an estimated 2,888 people² (approximately 18 percent), warranting a larger $\frac{1}{2}$ -mile study area.

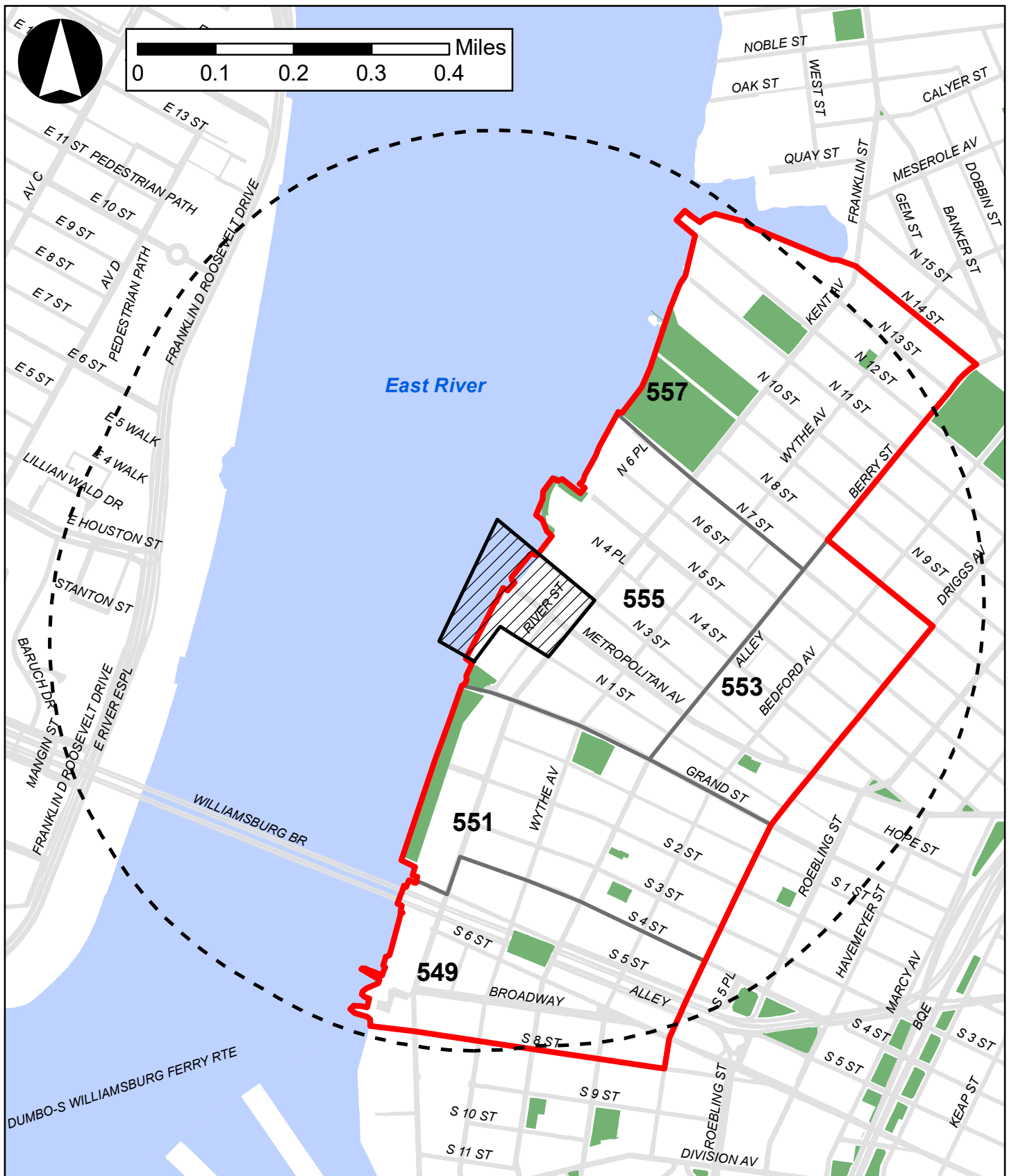
As socioeconomic analyses depend on demographic data, it is appropriate to adjust the study area boundary to conform to the census tract delineation that most closely approximates the desired radius (in this case, a $\frac{1}{2}$ -mile radius surrounding the boundary of the proposed rezoning area). For this analysis, the five census tracts that comprise the socioeconomic study area are shown in **Figure 3-1** and include Census tracts 549, 551, 553, 555, and 557. The $\frac{1}{2}$ -mile socioeconomic study area is located along the Williamsburg waterfront near the Williamsburg Bridge, and is roughly bounded by North 14th Street to the north, Driggs Avenue to the east, South 8th Street to the south, and East River to the west.

Data Sources

Information used in the analysis of indirect residential displacement (including population, housing, rents, incomes) were obtained from U.S. Census Bureau's 2010 Census, 2006-2010 and 2014-2018 Five-Year American Community Surveys (ACS). The New York City Department of City Planning's (DCP) Population FactFinder online mapping application tool was used to determine the statistic reliability of single-variable

¹ Estimated 2020 population for the $\frac{1}{4}$ -mile is based on the DCP Housing Database: Project-Level Files (2020, Quarter 4), and assumes 2.31 persons per dwelling unit (DU) and a vacancy rate of 7.9 percent, which are based on average household size and housing vacancy rate of Brooklyn North Side-South Side Neighborhood Tabulation Area (NTA), according to the 2014-2018 American Community Survey (ACS) via DCP Population Factfinder.

² Estimate of incremental residential population resulting from the Proposed Actions conservatively assumes 100 percent occupancy and 2.31 persons per dwelling unit, which is based on the average household size for Brooklyn North Side-South Site NTA according to the 2014-2018 ACS via DCP Population Factfinder.



Legend

-  Project Area
-  1/2-Mile Radius
-  Socioeconomic Study Area
-  Census Tracts

census data presented for the study area, the borough of Brooklyn and New York City.³ The average household size and housing vacancy rate for the Brooklyn North Side-South Side Neighborhood Tabulation Area (NTA) is used to estimate the future population resulting from anticipated No-Build projects in the study area. Data on the study area were compared to Brooklyn and New York City.

Land use and parcel data were collected from the City's Primary Land Use Tax Lot Output (PLUTO™) data files, online Geographic Information Systems (GIS) databases, including the New York City Open Accessible Space Information System⁴ and NYCityMap.⁵ Study area market-rate asking rents were researched using real estate market reports (MNS) and online real estate listing sites, including Trulia and Streeteasy.com.

D. PRELIMINARY ASSESSMENT OF 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 in non-regulated rental housing units, which can make it difficult for some existing residents to afford to stay in their homes. Pursuant to *CEQR Technical Manual* guidance, the indirect residential displacement assessment aims to determine whether the Proposed Actions and associated RWCDs would either introduce a trend or accelerate an existing trend of changing real estate market conditions that may have the potential to displace a vulnerable residential population and substantially change the socioeconomic character of the neighborhood. To quantify the reasonably anticipated effects of the Proposed Actions, 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 regulated⁶ or subsidized housing units would not be vulnerable to rent pressures according to *CEQR Technical Manual* guidance.

This preliminary assessment follows the step-by-step preliminary assessment guidance described in Section 322.1 of the 2020 *CEQR Technical Manual*. As described below and in keeping with *CEQR Technical Manual* guidance, Step 1 of the preliminary assessment was sufficient to determine that the Proposed Actions would not result in significant adverse impacts due to indirect residential displacement.

Step 1: Determine if the proposed actions 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 in the future without the proposed actions.

As described previously, the ½-mile study area is located along the waterfront within Williamsburg, Brooklyn, which is located within North Brooklyn in Community District 1. The larger Williamsburg neighborhood is roughly bordered by Queens in the east, the East River on the west, North 7th Street in

³ 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 MOE relative to the size of the estimate, the less reliable the data. The MOE is partially dependent on the sample size because the large sample sizes result in a greater amount of information that more closely approximates the population.

⁴ (<http://www.oasisnyc.net>)

⁵ (<http://gis.nyc.gov/doitt/nycitymap/>)

⁶ Rent regulated housing includes both rent controlled and rent stabilized apartments that are protected from steep rent increases and offer tenants greater legal protections than those residing in market-rate housing.

the north, and Flushing and Kent Avenues in the south. It is a well-established residential neighborhood that is characterized by a diverse mix of housing types including large newly constructed, high-rise, multiunit elevator buildings, converted lofts and other former industrial buildings, and older lower-rise walkup and row house buildings. The neighborhood is also known for its creative and lively atmosphere, vibrant social scene, culinary venues, and trendy boutique retail, as well as its accessibility to Manhattan.

A rezoning of the neighborhood in 2005 has facilitated a considerable amount of new development in the neighborhood, which has been most pronounced in areas along and near the waterfront, such as the study area, and has included the conversion of former industrial factories to loft-style housing and contemporary new construction. Williamsburg's popularity, along with the potential for a waterfront and Manhattan skyline views throughout the neighborhood, have spurred development of several large-scale apartment buildings. As a result, and given the neighborhood's proximity to Manhattan, residential rental rates and sales prices in Williamsburg have increased considerably with limited inventory, as the area has drawn considerable interest.

In addition, directly south of the Project Area, the area along the waterfront, just north of the Williamsburg Bridge generally to the west of Kent Avenue between Grand Street and South 5th Street, comprises the 2010 New Domino rezoning, which was approved in conjunction with a series of land use actions. In 2014, a modified Domino Sugar project was approved to facilitate a 2.95 million- square foot large-scale general development with waterfront spaces, including 1.98 acres of open space. When completed, the Domino Sugar mixed-use, multi-building development is anticipated to consist of nearly 2,300 DUs, including 700 affordable units (30 percent), approximately 0.5 million square feet of office, 114,600 gsf of other retail (including local retail and a health club), and approximately 42,200 gsf of community facility space, as well as accessory parking. The first of the Domino Sugar's residential apartments, a 16-story donut-shaped residential building at 325 Kent Avenue, opened in 2017, and contains 522-units, including 104 affordable units. Another building containing residential use at One South First/Ten Grand (or 260 Kent Avenue) was completed in 2019, and contains 332 DUs, including 66 affordable units. This building also contains commercial use with an address of Ten Grand Street.

According to 2020 PLUTO data, since 2005, more than 6,700 new residential units have been added to the ½-mile study area, which comprise roughly 50 percent of the overall housing stock in the study area. Nearly 60 percent of this new residential development has been constructed within the last decade. This increased residential trend is anticipated to continue in the future without the Proposed Actions.

Household income characteristics for the study area population are described using the average (or mean) and median household incomes. The median household income represents the mid-point of all household incomes in a study area, and the mean household income is calculated by dividing aggregate income by the total number of households in a study area. The presence of higher income households raises the area's mean income, sometimes substantially higher than the median or mid-point of household incomes in a study area.

Household incomes are high in the study area, reflecting the established residential market of the neighborhood. According to 2014-2018 Five-Year ACS estimates, the mean annual household income of residents living in the study area is approximately \$154,174, which is an increase as compared to 2006-2010 when the mean household income was an estimated \$91,835 (see **Table 3-1**).⁷ The existing mean annual household income of study area residents is slightly less than 150 percent of the area median

⁷ Based on the MOE for the mean household income of the study area according to the 2014-2018 Five-Year ACS (an MOE of \$12,632), the average household income could range from \$141,542 to \$166,806.

income (AMI) of New York City.⁸ The higher mean household income within the study area is, in part, likely attributed to the considerable number of new market-rate housing units constructed largely along the waterfront.

TABLE 3-1
Household Income Characteristics in the ½-Mile Study Area, Brooklyn, and New York City¹

	Median Household Income			Mean Household Income		
	2006-2010 ACS	2014-2018 ACS	Percent Change	2006-2010 ACS	2014-2018 ACS	Percent Change
½-Mile Study Area	\$62,254	\$101,446	Increased	\$91,835	\$154,174	Increased
Brooklyn	\$50,452	\$56,015	11.9%	\$72,315	\$85,910	18.8%
New York City	\$58,109	\$60,762	4.6%	\$89,899	\$97,647	8.6%

Sources: Bureau of the Census, 2014-2018 Five-Year ACS Estimates, as reported on DCP's Population Factfinder (<https://popfactfinder.planning.nyc.gov/profile/21396/demographic> in April 2020)

Notes: ¹The statistical reliability of the data included in this table has been vetted using DCP's NYC Population FactFinder. For the study area, only the directionality of change over time was statistically reliable and therefore reported. The population sample size in the ½-mile study area is not large enough to generate a reliable percentage change value for median or mean household income values.

As shown in **Table 3-1**, the mean annual household income of the study area also exceeds the mean annual household incomes in Brooklyn (\$85,910) and New York City (\$97,647). Trends in household income indicate that the mean household income is increasing. As shown in **Table 3-1**, the average household income in Brooklyn has increased by nearly 19 percent since 2006-2010, and the average annual household income in New York City increased by almost nine percent during the same time.

In terms of median household income, like the mean household income data, study area households have a higher median household income compared to Brooklyn and New York City (see **Table 3-1**). According to 2014-2018 Five Year ACS data, the median household income for the study area is an estimated \$101,446,⁹ as compared to \$56,015 for Brooklyn households and \$60,762 for New York City households, respectively. The study area's existing median annual household income is slightly lower than the 2020 AMI for the New York City region for a three-person family.¹⁰

According to 2006-2010 Five Year ACS data, the median household income for the study area was an estimated \$62,254.¹¹ The percentage change in median household income between the 2006-2010 and 2014-2018 Five Year ACS in the study area cannot be reported with statistical confidence. Consistent with mean household income trends in the study area, Brooklyn, and New York City, median household levels have also increased in all three areas. As shown in **Table 3-1**, between the 2006-2010 and the 2014-2018 Five Year ACS, the median household income in Brooklyn increased by nearly 12 percent and in New York City by almost five percent, respectively.

⁸ In the New York City region, 150 percent of the AMI for a three-person family is \$161,100. The AMI for a three-person is used because the average household size for the North Side-South Side Neighborhood Tabulation Area (NTA), which comprises the Williamsburg neighborhood of Brooklyn, is 2.31 persons according to 2014-2018 Five-Year ACS.

⁹ Based on the MOE for the median household income of the study area according to the 2014-2018 Five-Year ACS (an MOE of \$11,385), the average household income could range from \$90,061 to \$112,831.

¹⁰ The median income for all cities across the country is defined each year by the U.S. Department of Housing and Urban Development (HUD). In the New York City region, 100 percent of the AMI for a three-person family is \$107,400. The AMI for a three-person family is used because the average household size for the North Side-South Side Neighborhood Tabulation Area (NTA), which comprises the Williamsburg neighborhood of Brooklyn, is 2.31 persons.

¹¹ Based on the MOE for the median household income of the study area according to the 2006-2010 Five-Year ACS (an MOE of \$11,900), the average household income could range from \$50,354 to \$74,154.

Mean household income levels in all three geographic areas are higher than median household income levels indicating the presence of higher income households in the respective areas. **Table 3-2** illustrates the distribution of household incomes within the study area, Brooklyn and in New York City. As shown in **Table 3-2**, the study area has a higher percentage of higher income households than in Brooklyn and in New York City. Consistent with the comparatively high mean annual household income, nearly 25 percent of the study area population has an annual household income that is equal to or exceeds \$200,000. In comparison, roughly eight percent of Brooklyn households and approximately ten percent of New York City households have an annual household income that is equal to or greater than \$200,000. Slightly more than 50 percent of the study area households earn more than \$100,000 annually, which greatly exceeds the proportions of population earning more than \$100,000 in both Brooklyn (28.5 percent) and New York City (31.2 percent). On the lower end of the income spectrum, approximately 26 percent of study area households have an annual household income that is less than \$50,000. In comparison, nearly 46 percent of Brooklyn households and approximately 43 percent of New York City households have annual household incomes that are less than \$50,000.

TABLE 3-2
Household Income Distribution, 2014-2018¹

	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	
		#	%	#	%	#	%	#	%	#	%
½-Mile Study Area	9,628	1,156	12.0%	1,369	14.2%	2,240	23.3%	2,489	25.6%	2,374	24.7%
Brooklyn	950,856	249,320	26.2%	187,532	19.7%	242,693	25.5%	192,094	20.2%	79,217	8.3%
New York City	3,154,103	772,160	24.5%	590,856	18.7%	807,932	25.6%	662,176	21.0%	320,979	10.2%

Source: Bureau of the Census, 2014-2018 Five-Year ACS Estimates, as reported on DCP's Population Factfinder (<https://popfactfinder.planning.nyc.gov/profile/21396/demographic>)

Notes: ¹The statistical reliability of the data included in this table has been vetted using DCP's NYC Population FactFinder.

Table 3-3 provides information on poverty rates in the study area, Brooklyn and New York City. As shown in **Table 3-3**, slightly more than ten percent of the population for whom poverty status is determined in the study area had incomes below the poverty level, as compared to nearly approximately 21 percent of the population in Brooklyn and approximately 19 percent in New York City.

TABLE 3-3
Population below the Poverty Level in the Study Area, Brooklyn, and New York City (2006-2010 and 2014-2018)¹

	Population Below the Poverty Level			
	2006-2010		2014-2018	
	Number	Percent	Number	Percent
½-Mile Study Area	2,910	22.7%	2,141	10.2%
Brooklyn	538,435	22.0%	544,622	21.1%
New York City	1,518,636	19.1%	1,570,754	18.9%

Source: Bureau of the Census, 2006-2010 and 2014-2018 Five-Year ACS Estimates, as reported on DCP's Population Factfinder (<https://popfactfinder.planning.nyc.gov/profile/21396/demographic>)

Notes: ¹The statistical reliability of the data included in this table has been vetted using DCP's NYC Population FactFinder.

According to Five-Year ACS estimates, the median gross rent in the study area was an estimated \$2,311 per month in 2014-2018, as compared to \$1,541 per month in 2006-2010 (see **Table 3-4**). The median gross rent in the study area is higher than the larger borough (\$1,374) and the City as a whole (\$1,396). In terms of existing residential rents and trends, residential rents have increased in Brooklyn and New York

City since 2006-2010. While these data do not provide specific rent information according to regulation status or unit size, they do provide a general picture of the rate at which housing costs are changing in a neighborhood.

TABLE 3-4
Median Gross Rent (2006-2010, 2014-2018 ACS)¹

	2006-2010	2014-2018	Percent Change
½-mile study area	\$1,541	\$2,311	Increased
Brooklyn	\$1,168	\$1,374	16.6%
New York City	\$1,237	\$1,396	12.9%

Source: Bureau of the Census, 2006-2010 and 2014-2018 Five-Year ACS Estimates, as reported on DCP’s Population Factfinder (<https://popfactfinder.planning.nyc.gov/profile/21396/demographic>)

Notes: ¹The statistical reliability of the data included in this table has been vetted using DCP’s NYC Population FactFinder.

² All dollar figures have been adjusted to 2018 dollars.

Table 3-5 provides housing market data from March 2020 on the average asking price for rental apartments in Williamsburg, as compared to the larger borough. As shown in **Table 3-5**, the average prices for apartments in Williamsburg are higher than the overall borough. According to MNS Real Impact Real Estate’s *Brooklyn Rental Market Report* from March 2020, studios had an average asking price of \$3,024, one-bedrooms \$3,472, and two-bedrooms \$4,285. The average asking rental rates presented in **Table 3-5** suggest that current market-rate asking rents in the study area are 30 to 85 percent higher than data presented in the 2014-2018 ACS. The data presented in **Table 3-5** also suggest that current market-rate asking rents in the study area are not affordable to low-to moderate-income households. Based on current market-rate rent levels shown in **Table 3-5**, market rate units are unaffordable to households earning less than \$100,000.

TABLE 3-5
Average Rental Unit Prices in Williamsburg Brooklyn

	Studio Units	One-Bedroom Units	Two-Bedroom Units
Williamsburg	\$3,024	\$3,472	\$4,285
Brooklyn	\$2,325	\$2,927	\$3,826

Source: MNS Real Impact Real Estate, *Brooklyn Rental Market Report*, March 2020.

Future Without the Proposed Actions (No-Action Condition)

In absence of the Proposed Actions, no residents would be added to the Proposed Development Site. Under the No-Action condition, the Proposed Development Site would be developed on an as-of-right basis pursuant to the site’s existing M3-1 zoning with two buildings that would have a combined total floor area of approximately 621,500 gsf of commercial uses, including 54,500 gsf of office, 60,100 gsf of destination retail, 23,000 of local retail, 68,000 gsf of light manufacturing marker spaces, an approximately 102,100 gsf last-mile distribution center (UG 16D), and 94,750 gsf of warehouse uses as well as accessory parking. The non-Applicant-owned Projected Development Site would be improved with a two-story, approximately 13,482-gsf building, containing 6,741 gsf of local retail, 6,741 gsf of light industrial/warehouse space, and accessory parking.

Within the ½-mile study area, numerous background development projects are anticipated to be built by 2027, as described in **Table 3-6**. These projects are anticipated to introduce a considerable amount of residential uses, as well as some commercial, retail, and community facility uses, further increasing the density and mixed-use character of the study area. **Table 3-6** below describes the anticipated residential development. As shown in **Table 3-6**, nearly 1,300 net new residential units are anticipated to be added

to the study area by 2027 in absence of the Proposed Actions (see Chapter 2, “Land Use, Zoning and Public Policy” for further information).

As indicated in **Table 3-1**, there is an existing trend of increasing household incomes in the study area. There is also a concurrent trend of increasing median and average rents (see **Tables 3-4 and 3-5**). Given the trend toward increased household incomes and increased rents in the study area, maintenance of the mixed-income demographic as it currently exists in the study area would depend in large part on the introduction and preservation of affordable housing.

TABLE 3-6
Anticipated No-Build Developments with Residential Units in the Study Area

Address	Block, Lot	Type of Development	Dwelling Units (DUs)
141 N 6th Street	Blk 2327, Lot 32	New Building	12
161 N 5th Street	Blk 2336, Lot 38	New Building	6
159 Broadway	Blk 2457, Lot 34	New Building	21
350 Kent Avenue	Blk 2414, Lot 27	New Building	422
126 S 2nd Street	Blk 2417, Lot 17	New Building	3
280 Kent Avenue	Blk 2414, Lot 1	New Building	680
153 Berry Street	Blk 2335, Lot 3	New Building	8
75 S 8th Street	Blk 2130, Lot 27	New Building	8
296 Whyte Avenue	Blk 2378, Lot 21	New Building	55
66 N 8th Street	Blk 2317, Lot 13	New Building	5
106 N 3rd Street	Blk 2358, Lot 16	New Building	10
658 Driggs Avenue	Blk 2366, Lot 21	New Building	20
101 S 4th Street	Blk 2430, Lot 38	New Building	2
76 S 2nd Street	Blk 2416, Lot 109	New Building	1
74A S 2nd Street	Blk 2416, Lot 9	New Building	1
74 S 2nd Street	Blk 2416, Lot 8	New Building	1
143 Broadway	Blk 2457, Lot 42	Conversion	3
235 Berry Street	Blk 2380, Lot 4	Conversion	9
62 N 9th Street	Blk 2309, Lot 13	Building Enlargement	5
333 Kent Avenue	Blk 2441, Lot 8	Conversion	2
96 N 1st Street	Blk 2379, Lot 13	Building Enlargement	5
47 S 5th Street	Blk 2441, Lot 21	Conversion	9
156 N 4th Street	Blk 2352, Lot 7501	Conversion	23
59 Grand Street	Blk 2378, Lot 7503	Conversion	4
139 S 8th Street	Blk 2132, Lot 34	Conversion	4
103 Broadway	Blk 2471, Lot 8	Conversion	4
		Subtotal	1,323
		<i>Loss of Residential DUs Due to Building Demolitions & Alterations</i> ^{1, 2}	-32
		Net Total	1,291

Notes:

¹ Based on DOB permits, there are two properties (358 Bedford Avenue and 63 Metropolitan Avenue) within the 0.5 $\frac{1}{2}$ -mile study area that have approved demolition permits that would result in a loss of 18 existing residential dwelling units.

² There are 15 properties within the 0.5 $\frac{1}{2}$ -miles study area that have approved DOB permits for building alterations that would result in a loss of 14 existing residential dwelling units.

Source: DCP Housing Database: Project-Level Files, 2020 Quarter 4.

Future With the Proposed Actions (With Action Condition)

The Proposed Actions would facilitate the development of a considerable amount of new housing within the study area. The Proposed Actions would result in an incremental increase in 1,250 DUs at the Proposed Development Site, which would include market-rate and affordable units on the Applicant’s Proposed Development Site. In the future with the Proposed Actions, the proposed C6-2 zoning district on the Applicant’s Proposed Development Site would be designated an MIH Area, which would set mandatory affordable housing requirements pursuant to the MIH program and require a share of new housing be set aside as permanently affordable. The production of permanently affordable housing would be a condition

of residential development in the proposed C6-2 zoning district, which is expected to help preserve affordable housing in the area. There also would be no expiration to the affordability requirement of housing units created through MIH, making them a long-term stable reservoir of affordable housing in the area, a key policy to meet the City’s *Housing New York* goal of fostering diverse livable communities. The Proposed Actions would expand housing opportunities in an area where a strong demand for affordable and market-rate housing exists.

The amount of affordable housing units produced and resulting range of affordability presented would ultimately depend on which MIH Option is utilized and selected through the ULURP process. The New York City Department of Housing Preservation and Development (HPD), as a supporting and regulatory agency, would at a later date establish levels of affordability for the Proposed Development Site in coordination with the Applicant. The affordability requirements would be defined and ensured through regulatory agreements with HPD. The Applicant is proposing to establish MIH Option 1 in the proposed C6-2 zoning district, which would require that 25 percent of the housing must be affordable, on average, to households making 60 percent of the AMI.

Given that MIH has a variety of possible income tiers for affordable housing, for purposes of CEQR analysis, it is assumed that approximately 30 percent of the overall residential floor area at the Proposed Development Site would be set aside for “affordable” residential units, and that “affordable” would refer to residential units set aside for families/residents earning an average of approximately 80 percent of AMI, which is consistent with MIH Option 2. Based on this assumption, the preliminary indirect residential displacement analysis assumes that the Proposed Actions would introduce 875 market-rate housing units, and up to 375 units occupied by families/residents earning an average of 80 percent of AMI for CEQR analysis purposes. Assuming that the affordable housing units at the Proposed Development Site would be targeted to households earning on average 80 percent of the AMI under Option 2 would result in a higher weighted average household income for the project-generated population, as compared to affordable housing units under MIH Option 1.

The levels of affordability would be based on percentages of the HUD-defined AMI for the region. The 2021 income limits by family size for the New York City region are presented in **Table 3-7**, while **Table 3-8** shows the monthly rents by unit size for each. These levels will change over time, however, based on these data, residents of the affordable housing units are expected to have lower median and mean household incomes in comparison to the existing income levels of households in the study area (see **Table 3-1**). The affordable housing added by the Proposed Development would help to maintain a more diverse demographic composition within the study area.

TABLE 3-7
2021 New York City Area 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	\$25,080	\$33,440	\$41,800	\$50,160	\$66,880	\$83,600	\$108,680
2	\$28,650	\$38,200	\$47,750	\$57,300	\$76,400	\$95,500	\$124,150
3	\$32,220	\$42,960	\$53,700	\$64,440	\$85,920	\$107,400	\$139,620
4	\$35,790	\$47,720	\$59,650	\$71,580	\$95,440	\$119,300	\$155,090

Source: NYCHPD, <https://www1.nyc.gov/site/hpd/services-and-information/area-median-income.page>

TABLE 3-8
2021 New York City Area Affordable Monthly Rents

Unit Size	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	100% of AMI	130% of AMI
Studio	\$419	\$598	\$777	\$956	\$1,314	\$1,726	\$2,263
One-Bedroom	\$532	\$756	\$980	\$1,204	\$1,651	\$2,166	\$2,838
Two-Bedroom	\$631	\$900	\$1,168	\$1,437	\$1,974	\$2,592	\$3,397
Three-Bedroom	\$722	\$1,032	\$1,343	\$1,653	\$2,273	\$2,987	\$3,918

Notes: Assumes tenant pays electricity, no electric stove. 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. All rents are subject to program requirements.

Source: NYCHPD, <https://www1.nyc.gov/site/hpd/services-and-information/area-median-income.page>

To estimate the average household income of residents introduced by the Proposed Actions, the incomes of future residents in both the market-rate and affordable units at the Proposed Development Site have been projected. Housing is considered affordable if it costs about one-third or less of household income, as HUD defines families who pay more than 30 percent of their income for housing as rent-burdened. Assuming the 30 percent threshold is conservative for this analysis as it would result in a higher assumed income for the Proposed Actions' market-rate tenants.

As shown in **Table 3-7**, according to HUD, three-person families in the New York City region would be eligible for the affordable housing units at the Proposed Development if they were earning \$85,920 annually, which is 80 percent of AMI.¹² Since the study area's average household size is 2.31 persons per household, it is assumed that the average income of a family living in an affordable unit would be roughly \$85,920.

For the market-rate units, research into current market-rate asking rents in the study area (summarized in **Table 3-9**) and the assumption that incoming market-rate renters would be spending approximately 30 percent of their household income on rent¹³ have been used to estimate the expected income level of future market-rate tenants. Calculated average rents provided in **Table 3-9** are comparable to MNS Real Impact Real Estate's *Brooklyn Rental Market Report* from March 2020 (see **Table 3-5**).

TABLE 3-9
Estimated Income for the Proposed Market-Rate Units

Unit Type	Number of Apartments Listed ¹	Average Rent ¹	Estimated Average Monthly Income ²	Estimated Average Yearly Income ²
Studio	30	\$2,961	\$9,900	\$118,400
One- Bedroom	36	\$3,587	\$12,000	\$143,500
Two Bedroom	30	\$4,916	\$16,400	\$196,600
	Weighted Average	\$4,223	\$14,100	\$168,900

Notes:

¹ Represents the number of apartments listed and the average monthly rent based on May 2020 market listings in the ½-mile study area.

² Average household incomes were imputed using HUD's 30 percent guideline and were rounded to nearest hundredth.

³ The proposed market-rate units' weighted average incomes were calculated assuming a similar mix of unit types based on 2014-2018 Five Year ACS data for the study area.

Source: Street Easy, <http://streeteasy.com/>, accessed in May 2020

¹² <https://www1.nyc.gov/site/hpd/services-and-information/area-median-income.page>; As noted earlier in the chapter, the applicant intends to establish MIH Option 1 in the proposed C6-2 district, which would require that 25 percent of the housing must be affordable, on average, to households earning 60 percent of the AMI (\$64,440 for a household of 3).

¹³ The Department of Housing and Urban Development (HUD) defines families who pay more than 30 percent of their income for housing as cost burdened.

Assuming that the incoming market-rate renters would be spending approximately 30 percent of their income on rent, a person or household renting a market-rate unit as a result of the Proposed Actions is expected to have an average income ranging between approximately \$118,400 and \$196,600, depending on the unit type (see **Table 3-9**). Assuming that the mix of unit types would be similar to the current distribution within the study area based on 2014-2018 Five-Year ACS data¹⁴, a household renting a market-rate unit that would be available as a result of the Proposed Actions would have a weighted average income of approximately \$168,900.

As noted above, although the Proposed Development is expected to add 313 affordable units, for CEQR analysis purposes, the preliminary indirect residential analysis assumes that the Proposed Actions would result in an incremental net increase of 1,250 dwelling units, of which approximately 375 units (30 percent) would be affordable to families making an average of 80 percent of AMI, and approximately 875 units would be market rate. The average income of a household in an affordable unit would be \$85,920 annually, and the average income of a household in a market-rate unit would be \$168,900, which is higher than the study area's current average household income of \$154,174 (see **Table 3-1** above). In aggregate, the weighted average household income of the project-generated population would be approximately \$144,000, which is less than the study area's current average household income by approximately \$10,200.¹⁵ The projected incomes are also anticipated to be consistent with that of the future study area population, given the existing trend of increasing household incomes in the study area.

Based on the *Step 1 Analysis*, the Proposed Actions' generated population would be expected to have incomes that are similar to or lower than the existing and future study area populations. The Proposed Actions are not expected to introduce a new concentration of higher-income housing that could substantially alter rental market conditions in the study area. According to *CEQR Technical Manual* guidance, Steps 2 and 3 of the indirect residential displacement analysis are not warranted. Therefore, based on *CEQR Technical Manual* guidance, the Proposed Actions are not expected to result in significant adverse impacts due to indirect residential displacement.

¹⁴ As the unit mix for the Proposed Development has yet to be determined, the distribution of apartment units is based on 2014-2018 Five-Year ACS data (Table ID B25041, Bedrooms) for the ½-mile study area. According to the 2014-2018 Five-Year ACS, nearly 11 percent of housing units in the study area are studios, roughly 36 percent are one-bedrooms, and approximately 53 percent contain two or more bedrooms.

¹⁵ Under MIH Option 1, which would require 25 percent of the housing be affordable, on average, to households making 60 percent of the AMI, the weighted average household income of the project-generated population would be approximately \$142,700, which is less than the study area's current average household income by more than \$11,000.