

Zoning for Coastal Flood Resiliency

Chapter 3: Socioeconomic Conditions

A. INTRODUCTION

This chapter assesses whether the Proposed Action would result in significant adverse impacts to the socioeconomic character within and surrounding the proposed rezoning area. As described in the 2020¹⁴ *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 action.

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

As detailed in **Chapter 1, “Project Description,”** the New York City Department of City Planning (DCP) is proposing a zoning text amendment to update the Special Regulations Applying in Flood Hazard Areas (Article VI, Chapter 4) of the New York City Zoning Resolution (ZR), which includes the “[Flood Resilience Zoning Text](#)” (the “2013 Flood Text”) and “[Special Regulations for Neighborhood Recovery](#)” (the “2015 Recovery Text”). These temporary zoning rules were adopted on an emergency basis to remove zoning barriers that were hindering the reconstruction and retrofitting of buildings affected by Hurricane Sandy and to help ensure that new construction there would be more resilient. The 2013 Flood Text provisions are set to expire with the adoption of new and final Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps (FIRMs), which is anticipated to occur within the next few years. Applicability of the 2015 Recovery Text expired in July 2020. Therefore, DCP is proposing a citywide zoning text amendment, “[Zoning for Coastal Flood Resiliency](#)” (the “Proposed Action”), to improve upon and make permanent the relevant provisions of the existing temporary zoning rules of the 2013 Flood Text and 2015 Recovery Text. In addition, the Proposed Action includes special provisions to help facilitate the city’s long-term recovery from the COVID-19 pandemic and its associated economic effects by providing more time for existing non-conforming uses to reopen and builders to undertake certain construction projects. The Proposed Action also includes updates to other sections of the ZR, including the Special Regulations Applying in the Waterfront Area (Article VI, Chapter 2) and provisions within various Special Purpose Districts. The Proposed Action would mostly affect New York City’s current 1% annual and 0.2% annual chance floodplains. However, select provisions of the Proposed Action would be applicable citywide. To help the City prepare for or respond to other disasters, select provisions in the Proposed Action regarding power systems and other mechanical equipment, ramps and lifts, vulnerable populations, and disaster recovery rules, would be applicable citywide.

Due to the broad applicability of the Proposed Action, it is difficult to predict the sites where development would be facilitated. In addition, the Proposed Action is not in-and-of-itself expected to induce development

where it would not otherwise have occurred absent the Proposed Action. Although the Proposed Action may allow developments and existing buildings to retrofit to resilient standards, the overall amount, type, and location of construction within the affected area is not anticipated to change. Owing to the generic nature of this action, there are no known or projected as-of-right development sites identified as part of the Proposed Action's Reasonable Worst-Case Development Scenario (RWCDs). To produce a reasonable analysis of the likely effects of the Proposed Action, 14 representative Prototypical Analysis Sites containing either new developments, infill, reconstructions, or retrofits of existing buildings in the city's 1% and 0.2% annual chance floodplains were identified to demonstrate the wide range of proposed regulations for sites that would be able to develop as-of-right in the future with the Proposed Action, as detailed further in **Chapter 1**.

B. PRINCIPAL CONCLUSIONS

Based on the preliminary assessment provided below, the Proposed Action would not result in significant adverse impacts related to socioeconomic conditions. As noted above, the Proposed Action would allow developments and existing buildings to retrofit to resilient standards, but the overall amount, type, and location of development within the affected area is not anticipated to change. The following summarizes the conclusions for each of the five CEQR areas of socioeconomic concern.

Direct Residential Displacement

Analysis of the Prototypical Analysis Sites shows that no existing residential uses or residents would be displaced as a result of the Proposed Action. As such, no significant adverse impacts related to direct residential displacement would occur as a result of the Proposed Action.

Direct Business/Institutional Displacement

Assessment of the Prototypical Analysis Sites shows that no existing business or institutional uses would be displaced as a result of the Proposed Action. Therefore, no significant adverse impacts related to direct business or institutional displacement would occur as a result of the Proposed Action.

Indirect Residential Displacement

The Proposed Action would not generate new residential dwelling units (DUs) or residents as compared to No-Action conditions. As such, no significant adverse impacts related to indirect residential displacement would occur as a result of the Proposed Action.

Indirect Business/Institutional Displacement

As detailed below, the Proposed Action would generate a negligible number of incremental workers on several of the Prototypical Analysis Sites as compared to No-Action conditions. As the Proposed Action would introduce less than 200,000 square feet (sf) of incremental commercial development, it would not result in substantial new development that is markedly different from existing uses and development, and would not create or add to a retail concentration. Therefore, it is unlikely that the Proposed Action would introduce a new trend or population that could alter existing economic patterns, and no significant adverse impacts related to indirect business or institutional displacement would occur as a result of the Proposed Action.

Adverse Effects on Specific Industries

The Proposed Action would not directly displace any businesses, or result in significant indirect business displacement due to increased rents. The Proposed Action would not result in an adverse impact on a particular industry or category of business within or outside of the proposed rezoning area, and would not substantially reduce employment or impair economic viability in an industry or category of business. As such, no significant adverse effects on specific industrial would occur as a result of the Proposed Action.

C. PRELIMINARY SCREENING

Under CEQR, the socioeconomic character of an area is defined by its population, housing, and economic activities. Socioeconomic changes may occur when a project directly or indirectly changes any of these elements. Although socioeconomic changes may not result in impacts under CEQR, they are disclosed if they would affect land use patterns, low-income populations, the availability of goods and services, or economic investment in a way that changes the socioeconomic character of the area. In some cases, these changes may be substantial but not adverse. In other cases, these changes may be good for some groups but bad for others. The object of the CEQR analysis is to disclose whether any changes created by the Proposed Action would have a significant impact compared with what would happen in the future without the Proposed Action (i.e., the “No-Action” condition).

The assessment of socioeconomic conditions distinguishes between the socioeconomic conditions of an area’s residents and businesses, although projects may affect both in similar ways. 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 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 particular site are usually known, the disclosure of direct displacement focuses on identifying the specific businesses and estimating current employment levels, and an identifiable number of residents and workers.

Indirect or secondary displacement is the involuntary displacement of residents, businesses, or employees in an area adjacent or close to a project site that results from changes in socioeconomic conditions created by a proposed project. Examples include rising rents 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 successful office project in an area; or the flight from a neighborhood that can occur if a proposed project creates conditions that break down the community (such as a highway dividing the area).

Even if projects do not directly or indirectly displace businesses, they may affect the operation 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, CEQR may assess the economic impacts of the action on the 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 in the area affected by the action that would not be expected to occur in the absence of the Proposed Action (No-Action condition). The following screening assessment considers threshold circumstances identified in the *CEQR Technical Manual* and bulleted below that can lead to socioeconomic changes warranting further assessment.

- *Direct Residential Displacement: Would the proposed action 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.*

None of the 14 Prototypical Analysis Sites identified in the RWCDS contain residential units that would be displaced as a result of the Proposed Action. As such, the Proposed Action would not result in any significant adverse impacts due to direct residential displacement, and further analysis is not warranted.

- *Direct Business Displacement: Would the proposed action directly displace more than 100 employees, or directly displace a business whose products or services are uniquely dependent on its services in its present location? If so, assessment of direct business displacement and indirect business displacement are appropriate.*

None of the 14 Prototypical Analysis Sites identified in the RWCDS contain businesses or institutions that would be displaced as a result of the Proposed Action. As such, the Proposed Action would not result in any direct business or institutional displacement, and further analysis is not warranted.

- *Indirect Residential and/or Business Displacement due to Increased Rents: Would the proposed action 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 actions exceeding these thresholds, an assessment of indirect residential displacement and indirect business displacement is appropriate.*

The Proposed Action would not result in substantial new development. As detailed in **Chapter 1, “Project Description,”** the Proposed Action would not generate any incremental DUs as compared to the No-Action condition, and would introduce a minimal amount of incremental commercial retail and industrial space as compared to No-Action conditions. As the Proposed Action would result in fewer than 200 incremental DUs and less than 200,000 sf of incremental commercial development, it is unlikely that it would result in any significant adverse impacts due to indirect residential or business development due to increased rents, and further assessment is not warranted.

- *Indirect Business Displacement due to Retail Market Saturation: Would the proposed action 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.*

As noted above, the Proposed Action would introduce a minimal amount of retail space as compared to No-Action conditions. As the Proposed Action would result in less than 200,000 sf of incremental retail development, it is unlikely that it would result in any significant adverse impacts due to indirect business development due to retail market saturation, and further assessment is not warranted.

- *Adverse Effects on Specific Industries: Is the proposed action 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 action would result in the loss or substantial diminishment of a particularly important product or service within the city.*

As discussed above, the Proposed Action would not result in direct or indirect residential or business displacement. As detailed in **Chapter 1, “Project Description,”** given the health consequences and

logistical challenges of evacuating nursing home residents in facilities located in high-risk areas of the city, the Proposed Action would limit the development of new nursing homes and restrict the enlargement of existing facilities within the 1% annual chance floodplain and other selected geographies likely to have limited vehicular access because of a storm event (see **Appendix C**). The modification would restrict the enlargement of existing nursing homes in this geography to a maximum of 15,000 sf to allow for improvements, including those related to resiliency. These restrictions would also apply to the nursing home portions of Continuing Care Retirement Communities (CCRCs). The New York City Planning Commission (CPC) special permit in ZR Section 74-901, which allows nursing homes in areas where they are not permitted as-of-right (i.e., R1 and R2 districts and certain community districts), would not be available in this geography.

Nevertheless, existing nursing homes in the specified geographies would not be displaced as a result of the Proposed Action. Although prohibiting the development of new nursing homes in the specified geographies may increase demand for these facilities elsewhere in the city, these increases would be negligible as nursing homes are permitted in all other parts of the city and there are adequate opportunities for development elsewhere. Therefore, the Proposed Action would not significantly affect business conditions in this or any other industry or category of business, substantially reduce employment, or impair the viability of any specific industry or category of business. As such, the Proposed Action would not result in significant adverse impacts on specific industries, and further analysis is not warranted.

D. CONCLUSIONS

The preliminary screening determined that the Proposed Action would not result in significant adverse impacts due to direct residential or business/institutional displacement, indirect residential or business/institutional displacement, or adverse effects on specific industries. As such, further analysis of socioeconomic conditions is not warranted.