
CHAPTER 3: SOCIOECONOMIC CONDITIONS

A. INTRODUCTION

The proposed Dutch Kills Rezoning and Related Actions (the proposed actions) would rezone approximately 70 acres of land in the Dutch Kills section of Queens. The overall goals of the rezoning are to encourage moderate and higher density residential development near public transportation, as well as support a wide range of existing commercial and light manufacturing uses and sustain continued economic growth in a mixed-use community. This chapter examines the potential effects of the proposed actions on socioeconomic conditions in the study area, including changes in population characteristics and economic activities and the potential for displacement of businesses and employment.

According to Chapter 3B, Section 200 of the *CEQR Technical Manual*, significant adverse socioeconomic impacts can occur when an action meets one or more of the following criteria: (1) it leads to the direct displacement of residents such that the socioeconomic profile of the neighborhood is substantially altered; (2) it leads to the displacement of substantial numbers of businesses or employees, or displaces a business that plays a critical role in the community; (3) it results in substantial new development that is markedly different from existing uses in a neighborhood; (4) it affects conditions in the real estate market not only on the site anticipated to be developed, but in a larger area; or (5) it adversely affects economic conditions in a specific industry. In the case of the proposed actions, there are projected sites where, if redeveloped as assumed under the reasonable worst case development scenario (“RWCDS”), it is possible that existing residents or businesses could be displaced, subject to lease terms and agreements between private firms and property owners existing at the time of redevelopment. Therefore, a socioeconomic assessment is warranted to assess the possible effects of the proposed actions on the estimated 57 residents, 35 businesses and 374 employees currently located on these sites. Additionally, the proposed actions would introduce a substantial amount of new housing which in turn could lead to increased rents and potential indirect (or secondary) displacement.

B. OVERVIEW

The analysis is based on the reasonable worst-case development scenario (RWCDS), which assumes that redevelopment on projected development sites would result in: a net increase of 1,555 residential units, of which 187 would be affordable under the Inclusionary Housing Program; a net decrease of 197,470 square feet of commercial space; a net decrease of 41,697 square feet of community facility space; a net decrease of 180,536 square feet of industrial space; and a net increase of 410 accessory parking spaces.¹

The analysis finds that the proposed actions would not result in significant adverse socioeconomic impacts due to direct or indirect changes in residential and economic activity. The estimated 57 residents who could potentially be displaced if sites are redeveloped as assumed under the RWCDS represent a small fraction (less than 0.2 percent) of the approximately 34,552 persons living in the study area; they do not represent a substantial or unique population within the study area. Although every business is important and contributes to the economic and social well-being of the immediate neighborhood, it has been determined that the 35 businesses in Dutch Kills that could potentially be directly displaced conduct

¹ The RWCDS is presented in terms of a net change in land uses as compared to the future without the proposed actions. Actual development projected to result from the proposed actions includes 1,577 residential units, 173,582 square feet of commercial space, 39,773 square feet of community facility space, and 2,475 square feet of industrial space.

a variety of business activities. In addition, the products and services they provide are widely available in the area and the City and would still be available to consumers as many other existing businesses would remain and firms providing similar products and services would still be available in the surrounding area. With respect to indirect effects, the residential population potentially at-risk of indirect displacement (residents of up to 177 unprotected units) would likely face increased rent pressures in the future with or without the proposed actions. Additionally, the proposed actions are expected to result in an additional 187 affordable units through the proposed Inclusionary Housing Program, creating new opportunities for lower-income renters in the area that could face increase rents under the proposed actions. Similarly, some businesses facing rent pressure in the study area would continue to face increased rents in the future with or without the proposed actions; therefore the incremental pressure generated by the proposed actions would not result in indirect significant adverse indirect displacement impacts.

C. METHODOLOGY

ANALYTICAL FRAMEWORK

In accordance with the guidelines presented in the *CEQR Technical Manual*, the analysis considers five specific factors that could create significant adverse socioeconomic impacts in an area: (1) direct displacement of a residential population; (2) indirect residential displacement of a residential population; (3) direct displacement of existing businesses; (4) indirect displacement of existing businesses; or (5) adverse effects on specific industries not necessarily tied to a project site or area.

The analysis begins with a preliminary assessment. As described in the *CEQR Technical Manual*, the goal of a preliminary assessment is to discern the effects of a proposed project or action for the purposes of either eliminating the potential for significant impacts, or determining that a more detailed analysis is necessary to answer the question regarding potential impacts. For those factors that could not be eliminated through the preliminary assessment, a more detailed analysis is presented.

STUDY AREA

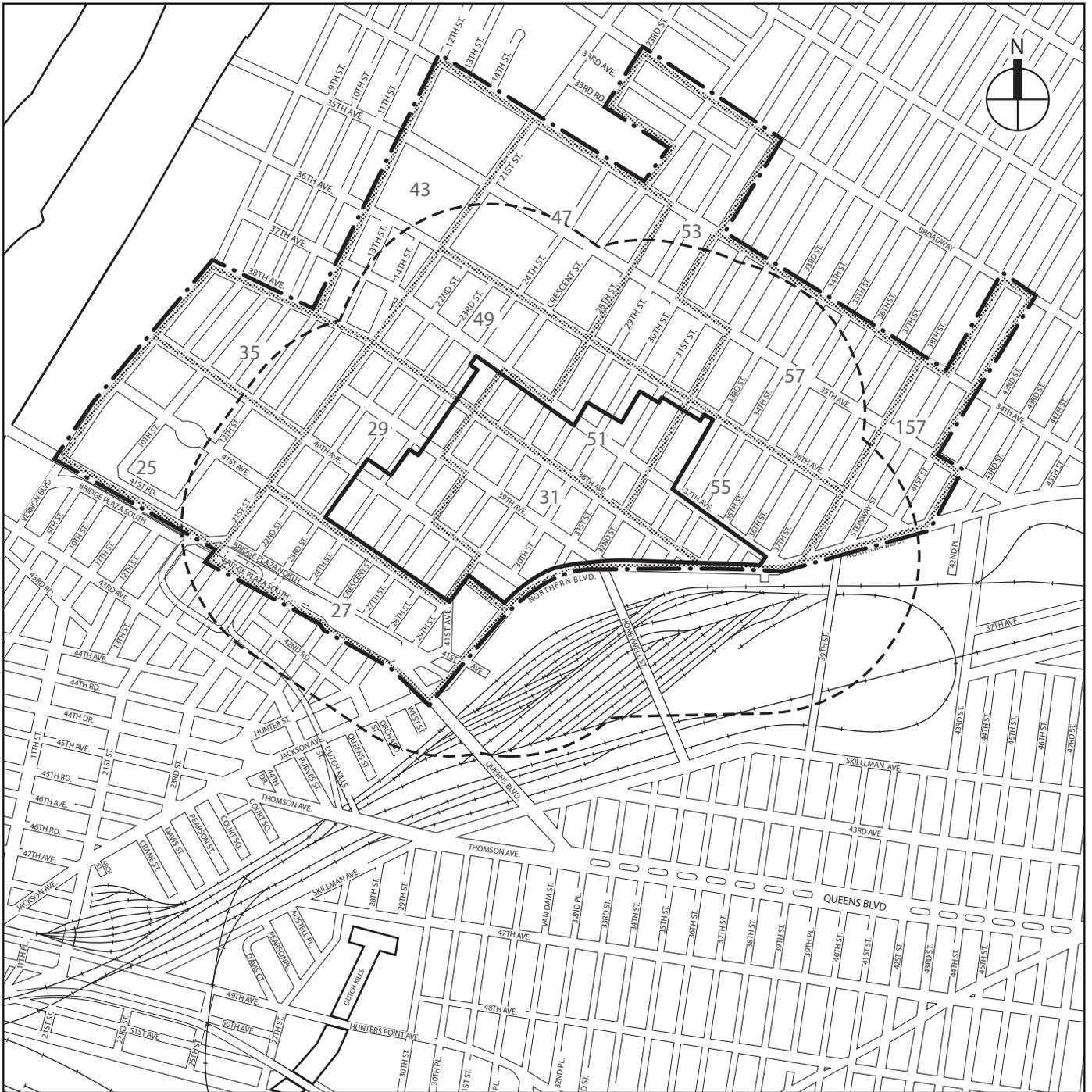
In accordance with *CEQR Technical Manual* guidelines, the study area boundary is similar to that of the quarter-mile land use study area described in Chapter 2, “Land Use, Zoning, and Public Policy.” The exact boundary of the socioeconomic study area was modified to match the census tracts that most closely define a quarter-mile perimeter surrounding the rezoning area (see Figure 3-1). By conforming to census tract boundaries, the socioeconomic analysis more accurately applies Census data to depict the demographic characteristics of the surrounding area².

DATA SOURCES

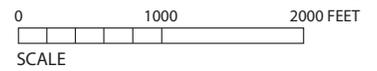
RESIDENTIAL DISPLACEMENT

The residential displacement analyses use demographic data primarily from the 1990 and 2000 U.S. Census, as well as sample data from the U.S. Census American Community Survey (ACS) Public Use

² The railyards, located directly south of the study area (in Census Tract 171) were not included due to the physical size of the Census tract. The estimated 21 residents reported by the Census may be located in parts of the Census tract that lay outside of a quarter-mile radius.



-  Rezoning Area
-  1/4-mile Perimeter
-  Socioeconomic Study Area Boundary
-  Census Tract Boundaries



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	Dutch Kills Rezoning and Related Actions	
Socioeconomic Study Area		
	The Louis Berger Group, Inc.	Figure 3-1

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Microdata Sample File (PUMS, 2000). Census data used for the analysis of direct and indirect residential displacement include the following:

- Total population and age of population;
- Household and income characteristics, including total households, average household size, median and average household income, and percent of households below poverty; and
- Housing characteristics, including number of housing units, year structure built, housing vacancy and tenure (owner versus renter-occupied), median contract rent, average rent and median home value.

While decennial Census data serves as the foundation for the presentation of demographic conditions in the study area, the data has been updated wherever possible to more accurately reflect baseline, or 2007 conditions. Updates on the number of housing units that were developed between 2000 and 2007 were obtained from the New York City Department of City Planning (DCP) Division of Housing, Economic and Infrastructure Planning (HEIP). In addition, Real Property Assessment Data (RPAD) from the New York City Department of Finance was obtained to assess additional property information. Corresponding population estimates were derived using the 2000 Census average household size and vacancy rate in their respective study area. The Census data also have been supplemented, where appropriate, with information on current interviews and listings from local real estate agents and real estate agency web sites.

BUSINESS AND INSTITUTIONAL DISPLACEMENT

The assessments of business and institutional displacement begin with an analysis of employment trends in the study area, Queens, and New York City as a whole. The analysis is based on Reverse Journey-to-Work data from the 2000 Census.³ Employment data were gathered for each census tract in the study area.

A field survey was conducted to ascertain the types of businesses that were in the area, condition of the area, trends, recent developments, and other study area conditions necessary to determine both potential and direct business and institutional displacement. Calls to local brokers and interviews with Industrial Business Area⁴ representatives provide the basis for rental estimates.

The employment data gathered identifies the industry sectors that dominate or characterize the study area. Employment data on specific businesses was estimated by AKRF, based on field surveys and secondary research. These data were used to estimate the total number of jobs that would be directly displaced by

³ Reverse Journey-to-Work data tabulates and reports the characteristics of workers by the location of their workplace.

⁴ The Industrial Business Area is administered by the mayor's Office for Industrial and Manufacturing Businesses. This agency administers 16 areas in which they have bestowed Industrial Business Zone (IBZ) status, as well as 6 areas in which they have bestowed Ombudsman status. Of the six Ombudsman areas, only the Garment Center and Staten Island areas are solely Ombudsman Areas; the remaining four areas are a mix of Ombudsman and IBZ designated blocks. Businesses located within an IBZ are provided access to an Industrial Business Solutions Provider and a one-time tax credit of \$1,000 per relocated employee to an IBZ. As part of an IBZ designation, the Bloomberg Administration has agreed not to support any zoning change within the IBZ that would allow for conversion of industrial property to residential. By contrast, businesses located on blocks or lots designated as Ombudsman Areas have access to a city representative that acts as a liaison with the city and helps the businesses with concerns or questions. There are no zoning guarantees associated with the Ombudsman designation.

the proposed actions through private redevelopment initiatives on the projected development sites. When information on a business was not available through Dun & Bradstreet, or if Dun & Bradstreet's estimates warranted further investigation, employment was estimated using information on comparable businesses of the same size and with similar hours of operation. The employment data also were supplemented by field investigations conducted as of March 2008.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

The assessment of potential adverse effects on specific industries is based on the data compiled for the assessments of business and institutional displacement.

D. PRELIMINARY ASSESSMENT

Under *CEQR Technical Manual* guidelines, the first step in a socioeconomic impact analysis is a preliminary assessment. The goal of a preliminary assessment is to learn enough about the effects of a proposed action either to rule out the possibility of significant impact or to establish that a more detailed analysis will be required to determine whether the proposed action would lead to significant adverse impacts.

For four of the five issue areas—direct residential displacement, direct business and institutional displacement, indirect business and institutional displacement, and adverse effects on specific industries—the preliminary assessment rules out the possibility that the proposed actions would have a significant adverse socioeconomic impact. The preliminary assessment of indirect residential displacement could not rule out the possibility that the proposed actions would have significant adverse impacts, and therefore, a detailed indirect residential displacement is presented in Section E, “Detailed Analysis.”

DIRECT RESIDENTIAL DISPLACEMENT

Direct residential displacement (sometimes called primary displacement) is the involuntary displacement of residents from the site of (or a site directly affected by) a proposed action. Direct residential displacement is not in and of itself an impact under CEQR. According to the *CEQR Technical Manual*, direct residential impacts can occur if the numbers and types of people being displaced would be enough to alter neighborhood character and perhaps lead to indirect displacement of remaining residents. An example would be an urban renewal project, such as Lincoln Square in the 1950s, which eliminated a low-income neighborhood and replaced it with a more affluent population.

The *CEQR* process attempts to project the future actions of private property owners within the study area. However, since it is not possible to determine with certainty the future actions of any private property owner, sites considered likely to be redeveloped based on known information are analyzed to illustrate a potential and conservative assessment of the effects of the proposed action, as described in the description of the RWCDs in Chapter 1, “Project Description.”

The projected sites that have been identified as likely locations for redevelopment under the proposed actions are analyzed under *CEQR* for potential residential displacement. These are the assumed locations of potential private market development. It is not known, however, if these sites will be developed. If these sites are redeveloped in the future with the proposed actions, it is possible that existing residents

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could be displaced. However, such displacement would be subject to private contracts and lease terms between tenants and landlords existing at the time of redevelopment.

As detailed in Chapter 1, “Project Description,” the RWCDs identifies 40 projected development sites that would be developed by 2017 as a result of the proposed actions. These 40 sites currently contain 22 residential units (see Table C-1 in Appendix C and Figure 3-2). Conservatively assuming full occupancy and an average household size of 2.61 persons per unit (the average household size for housing units in the study area in 2000), the units would be occupied by approximately 57 residents. If these sites are redeveloped as assumed under the RWCDs, it is possible that these existing residents could be displaced, subject to lease terms and agreements between private firms and property owners existing at the time of redevelopment.

CEQR ASSESSMENT CRITERIA

The *CEQR Technical Manual* recommends an examination of the following factors in determining whether the numbers and types of people located on sites that could likely be redeveloped as a result of the proposed actions would be enough to alter neighborhood character and perhaps lead to indirect displacement of the remaining vulnerable residents: (1) the profile of the potentially displaced residents is similar or markedly different from the study area; (2) the potentially displaced population represents a substantial or significant portion of the population within the study area; and (3) the action could result in a loss of this population group within the neighborhood, by examining both the profile of the potentially displaced residents and housing type to determine whether this population could relocate within the neighborhood.

The 57 potentially displaced residents live in single, detached and attached buildings containing one to four dwelling units. Census data is not available for individual properties and households. Therefore, in order to estimate the socioeconomic characteristics of these residents, income and gross rent data were collected from the 2000 Census for renter households living in 1- to 4-unit buildings in the study area⁵. Overall, the data revealed that study area residents living in small buildings paid higher rents and earned higher average incomes than those in the entire study area and the Borough of Queens. Census data showed that in 1999, study area renter households in small buildings had an average income of \$65,862, and paid an average rent of \$1,118 per month (in 2008 dollars, see Table 3-1). By comparison, the average household income in the study area as a whole was \$47,272 and the average rent was approximately \$768 per month. This indicates that as of 2000, the renter population residing in small buildings had a slightly higher average household income and paid slightly higher rents than the general study area population and entire Borough; these differences suggest that the profile of the population that could potentially be directly displaced if sites are redeveloped as assumed under the RWCDs is not markedly different from the general study area population. In addition, the type of housing to be displaced—low-rise structures containing between one and four residential units—would continue to have a strong presence throughout the study area, suggesting that the demographic characteristics of households in such buildings also would be maintained within the study area under the proposed actions.

According to the *CEQR Technical Manual*, a direct displacement impact may be significant if the persons that could potentially be displaced represent more than five percent of the study area population, and a population with a similar profile would not be able to relocate within the neighborhood (Chapter 3B,

⁵ Direct displacement is defined by the *CEQR Technical Manual* as the involuntary displacement of residents from the site of a proposed action. Owner-occupied housing units on projected development sites would enter a voluntary agreement to sell their property, and therefore would not be subject to (involuntary) direct displacement. For purposes of analysis it is conservatively assumed that all of the 40 units located on projected development sites would be renter-occupied.



-  Rezoning Area Boundary
-  Projected Sites
-  Displaced Residence (Projected)



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Dutch Kills Rezoning and Related Actions
Direct Residential Displacement on
Projected Development Sites

**Table 3-1
Average Income and Rent
For Renters in Large and Small Buildings, 2000**

Size of Building	Average Monthly Rent	Average Income
Study Area		
Small Buildings (1-4 Units)	\$1,118	\$65,862
Large Buildings (5 or more Units)	\$694	\$43,325
All Renters (Small and Large Buildings)	\$768	\$47,272
Queens		
Small Buildings (1-4 Units)	\$1,097	\$59,106
Large Buildings (5 or more Units)	\$1,052	\$41,692
All Renters (Small and Large Buildings)	\$1,073	\$49,711

Notes: Median household income presented in constant 2008 dollars based on the U.S. Department of Labor Bureau of Labor Statistics' January 2008 Consumer Price Index for all urban Consumers for New York-Northern New Jersey-Long Island.
Sources: U.S. Department of Commerce, Bureau of the Census, 2000 Summary File 3, Specific Renter-occupied housing units paying cash rent: Aggregate Gross Rent; and U.S. Census American Community Survey (ACS) Public Use Microdata Sample File (PUMS) data: Universe of Renter-Occupied Housing Units and Aggregate Household Income (1999).

Section 331). The estimated 57 residents who could potentially be displaced under the proposed actions represent a small fraction (0.16 percent) of the approximately 34,552 persons living in the study area in 2007⁶. In addition, the types of housing that could be displaced are within small buildings containing between one and four units—building types that are prevalent throughout the study area. Overall, the population which could potentially be displaced does not represent a substantial or significant portion of the population within the study area, and the proposed actions would not result in the loss of any population group within the neighborhood or alter neighborhood character. Therefore, the proposed actions would not result in significant adverse impacts due to direct residential displacement, and no further analysis is required.

INDIRECT RESIDENTIAL DISPLACEMENT

Indirect residential displacement is the involuntary displacement of residents due to a change in socioeconomic conditions created by a proposed action. Indirect residential displacement typically is caused by increased property values generated by an action, which in turn results in higher rents in an area, making it difficult for some existing residents to continue to afford their homes.

The data used to assess the potential for indirect residential displacement is based on population and housing data that is presented as part of the detailed analysis of residential displacement in Section E, “Detailed Analysis.” The information includes: population and housing unit counts; socioeconomic indicators such as median household income and poverty status; housing value and median contract rents; vacancy rates; presence of population groups particularly vulnerable to economic changes (e.g. low income residents); and overall development trends in the area.

⁶ The average household size and vacancy rate for the study area were applied to the additional units to determine the baseline existing population.

This analytical framework for this preliminary assessment is derived from the screening criteria outlined in Section 322.1 of the *CEQR Technical Manual* (numbered in italics below), which describe circumstances that can generate potentially significant impacts.

1. Would the proposed actions add a substantial new population with different socioeconomic characteristics compared with the size and character of the existing population?

According to the *CEQR Technical Manual*, if a proposed project would increase the study area population by more than 5 percent, it could be large enough to affect socioeconomic trends significantly. The study area had an estimated 2007 population of 34,552 (see Table 3-5 in Section E, “Detailed Analysis”). The proposed actions would add up to 1,555 new housing units to the study area, or approximately 4,061 new residents⁷, a population equivalent to 11.8 percent of the existing (2007) study area population. As this is greater than five percent, a detailed analysis is required to determine whether the proposed actions would generate significant adverse socioeconomic impacts due to indirect residential displacement (see Section E, “Detailed Analysis”).

2. Would the proposed actions directly displace uses or properties that had a blighting effect on property values in the study area?

The existing uses have no “blighting” effect on property values in the study area. Indicators that a property has a “blighting” effect on property values in an area may include: limited development around the property, high vacancy rates, or stagnant or decreasing housing values and rents within the study area. From 1990 to 2000, the median contract rent of the study area (\$705 in 2008 dollars) saw a 7.9 percent increase—more than double the rate of increase for the entire Borough (3.7 percent). In addition, the 2000 median housing values in the study area were higher than the Borough and City as a whole. In 2000, the study area’s median housing value was \$310,318—approximately 15.9 percent higher than Queens’ median of \$267,791 and 8.0 percent higher than the City’s median of \$287,271. The relatively high median housing value and high median contract rent indicate the desirability of the study area as a residential neighborhood, and indicate that the area is not suffering from blight. Further, as discussed in Section E, real estate data as of April 2008 indicate rents and sales prices have increased significantly since 2000. Thus, the upward trend in the study area’s residential real estate market is not indicative of an area suffering from blight.

The trend toward residential development in the study area is another indication that the potentially directly displaced uses or properties have not had a blighting effect on property values. Approximately 750 residential units are expected to be added to the study area in the future without the proposed actions, increasing the study area housing unit count (13,426 units in 2007) by 5.6 percent. The most prominent development plans are for Crescent Club and Queens Plaza North, two projects which combined will add 433 units to the study area (accounting for roughly 58 percent of new construction).

3. Would the proposed actions directly displace enough of one or more components of the population to alter the socioeconomic composition of the area?

As determined above, the estimated 57 residents that that could potentially be directly displaced if sites are redeveloped as assumed under the RWCDs do not constitute enough of one or more component of the population to alter the socioeconomic composition of the area. It is expected that some, if not all, of these residents could find similar housing within the study area, since their incomes are similar to those in the overall study area population, and housing options similar to the potentially displaced housing units are prevalent throughout the study area.

⁷ Based on the 2000 average household size for the study area (2.61 persons per household).

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4. *Would the proposed actions introduce a substantial amount of a more costly type of housing compared with existing housing and housing expected to be built in the study area by the time the action is implemented?*

Under the RWCDS the proposed actions would result in a total increase of 1,555 residential units. As intended by the proposed actions, the Inclusionary Housing Program would apply; and would allow for approximately 187 (12.0 percent) affordable units. Although most housing units introduced by the proposed actions would be new, market-rate housing and would thus likely be more costly than existing older housing stock in the study area, the new market-rate units would be comparable in price to recent and new developments that are planned to be in place by 2017. A more detailed description of recent residential market trends is presented in Section E, “Detailed Analysis.”

5. *Would the proposed actions introduce a critical mass of non-residential uses such that the surrounding area becomes more attractive as a residential neighborhood complex?*

The proposed actions would not introduce a critical mass of non-residential uses such that the surrounding area would become more attractive as a residential neighborhood complex. Apart from expanding upon the existing residential land use, the RWCDS would result in a net decrease of 197,470 square feet of commercial space, a net decrease of 180,536 square feet of industrial space, and a net increase of 41,697 of community facility space on projected development sites within the rezoning area.

The area already contains a critical mass of residential amenities (convenient stores, restaurants, laundromats, banks, etc.) that are available to the existing population, within walking distance of their homes. Independent of the proposed actions, non-residential developments scheduled to occur would continue to exist; thus, non-residential uses introduced by the proposed actions would not have a substantial effect on the surrounding area.

6. *Would the proposed actions introduce a land use that could have a similar effect if it is large or prominent enough, or combines with other like uses to create a critical mass large enough to offset positive trends in the study areas, to impede efforts to attract investments to the area, or to create a climate for disinvestment?*

The proposed actions would not impose any type of change that would diminish investment in the study area. To the contrary, the objectives of the proposed actions are to encourage moderate and higher density development near public transportation and support continued economic growth in a mixed-use residential, commercial, and light industrial community, especially by removing restrictions on residential development.

Overall, the preliminary assessment of indirect residential displacement could not rule out the possibility that the proposed actions would result in significant adverse impacts. Therefore, a detailed analysis of the issue is presented in Section E, “Detailed Analysis.”

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The *CEQR Technical Manual* defines direct business and institutional displacement as the involuntary displacement of businesses or institutions from the site of (or a site directly affected by) a proposed action. The *CEQR* process attempts to project the future actions of private property owners within the study area. However, since it is not possible to determine with certainty the future actions of any private property owner, sites are analyzed to illustrate a potential and conservative assessment of the effects of the proposed action on sites considered likely to be redeveloped based on known information, as described in the description of the RWCDS in Chapter 1, “Project Description”.

Projected sites that have been identified as likely redevelopment locations under the proposed actions are analyzed under CEQR for potential business displacement. It is assumed that these identified areas will be the focus of potential private market development. It is not known, however, if these sites will be developed. If these sites are redeveloped in the future with the action, it is possible that existing businesses could be displaced. However, such displacement would be subject to private contracts and lease terms between tenants and landlords existing at the time of redevelopment.

Additionally, while the DEIS analyzes long term development trends, it nevertheless identifies the firms subject to potential direct displacement based on existing conditions and the businesses located on development sites today. In fact, however, New York City's commercial streets and industrial areas are dynamic. Businesses regularly open and close in response to changes in the economy, local demographics, and consumer trends. Therefore, it is likely that a number of the businesses identified as likely to face displacement pressure as sites redevelop would close or relocate prior to assumed site development due to reasons independent of the rezoning.

This preliminary assessment examines the employment and business value characteristics of the affected businesses, and responds to the CEQR preliminary assessment questions (numbered in italics below) to determine the potential for significant adverse impacts:

1. Do the businesses or institutions that could be displaced have substantial economic value to the City or region, and can they be relocated only with great difficulty or not at all?

Under CEQR, displacement of a business or group of businesses is not, in and of itself, an adverse environmental impact. Rather, the CEQR Technical Manual provides a framework to analyze the effects of displacement by asking whether the businesses in question have "substantial economic value to the City or region" or "contribute substantially to a defining element of neighborhood character." While all businesses contribute to neighborhood character and provide value to the City's economy, CEQR seeks to determine whether displacement of a single business or group of businesses would rise to a level of significance in terms of impact on the City's or the area's economy, or the character of the affected neighborhood.

As stated in the CEQR Technical Manual, the consideration of a business or institution's economic value is based on: (1) its products and services; (2) its location needs, particularly whether those needs can be satisfied at other locations; and (3) the potential effects on businesses or consumers of losing the displaced business as a product or service.

As shown in Table 3-2, 40 projected development sites contain 35 businesses with an estimated 374 employees. If these sites are redeveloped as assumed under the RWCDS, it is possible that these existing firms could be displaced, subject to lease terms and agreements between private firms and property owners existing at the time of redevelopment. While the businesses and jobs currently located on the projected development sites may not be located on the affected sites when redevelopment under the proposed actions occurs, the current businesses and employment are representative of the economic activities that could potentially be displaced in the future with the proposed actions.

These estimated 374 workers represent approximately 2.1 percent of this study area employment (17,857 workers based on 2000 Census data); therefore the proposed actions would not result in a substantial employment loss within the study area. Of the 35 potentially displaced businesses, 22 (almost 63 percent) are estimated to have less than ten employees each. Almost half (10) of those are smaller establishments and conduct business in the automotive sector (repair, taxi, rental or other car-related services). The remaining 37 percent (13) of the businesses have ten or more employees, with the vast majority (9)

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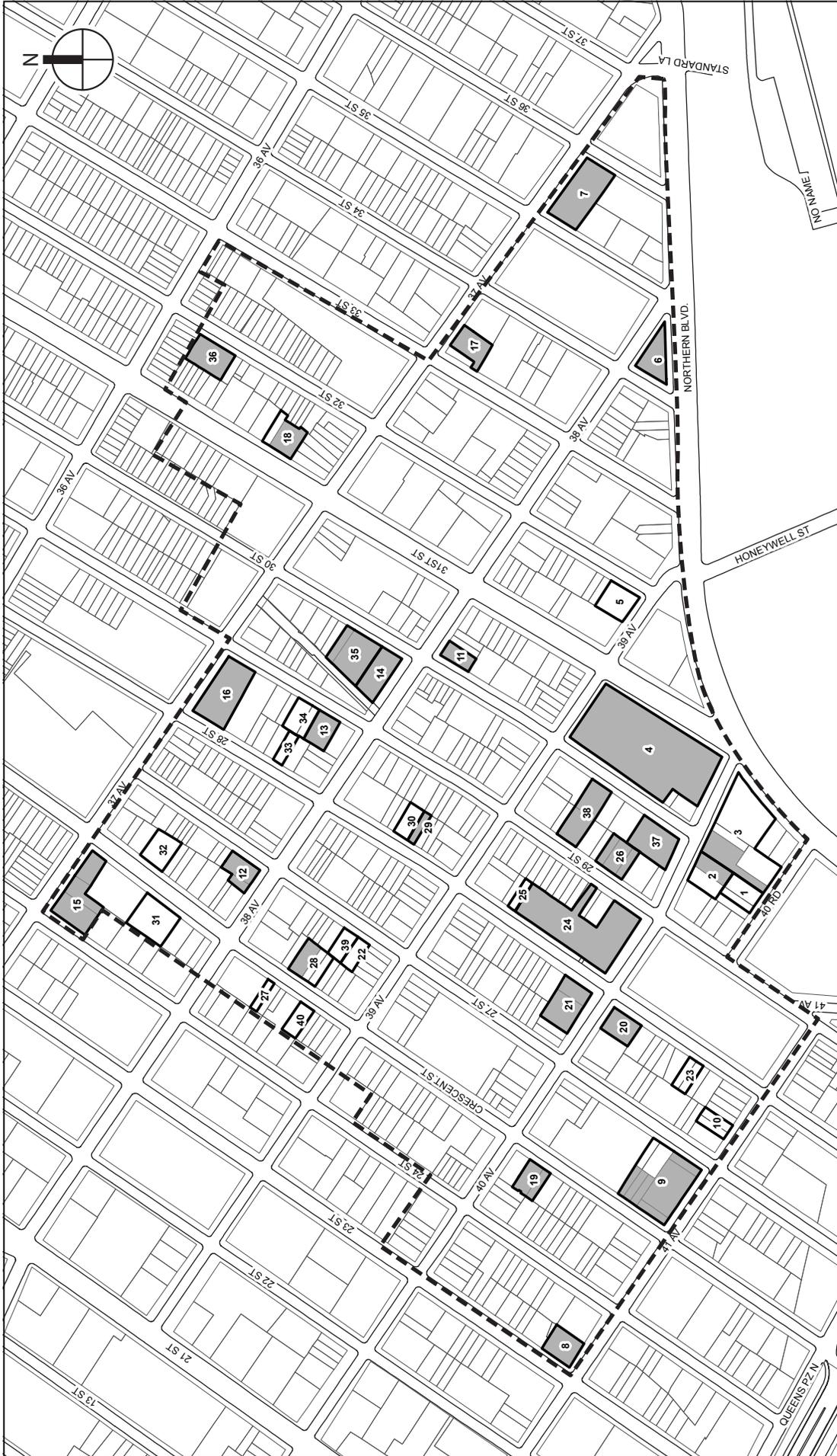
employing 20 or more workers. These businesses are in manufacturing (3), wholesale (3), construction (1), information (1), and transportation (1).

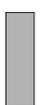
Table 3-2
Potentially Displaced Business Employment Estimate

Dev.	Block	Lot	Type	Est. # of Employees	Industry Sector
2	402	30	Mfg of products/frames	20	Manufacturing
3	402	32	Wholesale Grocery	32	Wholesale
4	400	5	Taxi/Limo Car Service	1	Transportation and Warehousing and Utilities
6	379	1	Auto repair	1	Other Services (except Pub. Admin) - Auto Repair
6	379	1	Convenience Grocery	1	Retail - Convenience
7	377	13	Sound Studio, club	5	Arts Entertainment & Recreation
7	377	13	Construction	5	Construction
7	377	13	Real Estate	2	Real Estate & Rental & Leasing
7	377	13	Stationary Mfrs	25	Manufacturing
7	377	13	Chandelier Maker Retail	11	Manufacturing
7	377	13	Mfg Precious Metal Jewelry	1	Manufacturing
7	377	13	Architects	1	Professional, Scientific & Tech - Industrial Engineers
7	377	13	Artists	10	Retail
7	377	13	Sportswear Clothing Wholesale & mfrs	39	Wholesale - clothing
8	408	5	Auto repair	2	Retail - Other Gas Stations
9	406	1	Art Gallery	2	Retail
9	406	2	Auto repair	2	Other Service -general auto repair
12	368	34	Auto repair	2	Other Services (except Pub. Admin) - Auto Repair
14	371	38	Taxi/Limo Car Service	2	Transportation & Warehousing - Taxi
15	367	15	Wholesale Lumber Supply	12	Retail - Other building materials dealer
16	370	12	Wholesale Hardware	30	Wholesale - Hardware merchants
17	375	18	Elevator Repair	5	Wholesale - Industrial machinery & equipment
18	600	8	Rental & Leasing	2	Real Estate & Rental & Leasing - Passenger Car Rental
19	407	27	Insurance	2	Finance & Insurance - Insurance Agencies & Brokerage
21	397	33	Auto repair	5	Other Service -general auto repair
21	397	35	Auto repair	2	Other Service -general auto repair
26	399	6	Publishing	20	Manufacturing
28	387	9	Testing	12	Professional, scientific, & Technical - testing lab
29	385	4	Glass Installation	4	Construction- glass & glazing work
35	371	33	Mfg of special dyes & tools	1	Manufacturing
35	371	34	Taxi/Limo Car Service	20	Transportation & Warehousing - Limo
36	600	34	Mechanical & Air Conditioning Services	55	Construction - plumbing, heating & air conditioning contractors
37	399	34	Telephone Communication Carriers	35	Information - Wireless Communication
38	399	13	Industrial	1	Professional, Scientific & Tech - Industrial Engineers
38	399	26	Parking Garage	4	Other Services (except Pub. Admin) - Parking Garage
Total Number of Estimated Employees				374	

Notes: Dev. Number (column 1) Corresponds to Figure-3-3

Sources: DCP; Dunn & Bradstreet; AKRF Inc.



-  Rezoning Area Boundary
-  Projected Sites
-  Displaced Business (Projected)



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Dutch Kills Rezoning and Related Actions
Direct Business Displacement on
Projected Development Sites



The Louis Berger Group, Inc.

Figure 3-3

Dutch Kills Rezoning and Related Actions EIS

It is estimated that about half of the potentially displaced businesses' goods and/or services are utilized by residents of the study area. These businesses include a delicatessen, a rental car company, an insurance agent, a lighting manufacturer/retailer, a wireless service re-seller, art galleries, and six auto repair shops. However, with the exception of the delicatessen, residents are not dependent upon these businesses for their day-to-day needs; these businesses draw from a market area that is larger than the study area, and their products and services could be purchased from other businesses in the study area which are widely available and will likely continue to be available under the proposed actions as new retail opportunities.

The remaining businesses that include, for example, an elevator service company, a non-residential contractor, a publisher, and a dye and tool manufacturer, serve other businesses in the study area and in a broader market. While some of the businesses, such as the delicatessen and rental car company, require close proximity of a customer base, none of the businesses need to be located in close proximity to the study area's residential consumer base. They could be viable at other locations either within the study area, in the borough, or in the City more broadly.

The businesses that could be displaced conduct a variety of business activities. Although the potentially displaced firms each contribute to the City's economy and therefore have economic value, the products and services they provide are widely available in the area and the City and would still be available to consumers as many other existing businesses would remain and firms providing similar products and services would still be available in the surrounding area. The City has 18 Industrial Business Areas, of which 16 contain blocks designated as IBZs. An IBZ designation protects an area as an industrial center through a commitment by the City to preserve the areas for manufacturing and commercial uses. An IBZ also helps companies that relocate to an IBZ from within the City via a one time \$1,000 per employee tax credit. A portion of the Long Island City IBZ is located within the study area and the Maspeth IBZ is located to the southeast of the area. Fourteen additional IBZs are located throughout New York City.

The second criteria for determining the economic value of a business is whether or not a business can be relocated without any difficulty. The businesses with the potential for displacement, such as the apparel manufacturer, auto rental company and insurance agency could be accommodated in other industrial areas of the city.

Available retail, manufacturing, warehouse and storage space in the City is located within close proximity to the rezoning area. For example, nearby industrial buildings in other parts of the Long Island Industrial Business Area to the south (Long Island City Industrial Core) and southwest (Hunter's Point) are well-suited to accommodate the potentially displaced businesses because they are of similar type and size (generally between 1,000 square feet and 20,000 square feet and built in the same early 20th century period) as the industrial buildings that are within the study area. These buildings are within easy commute to major access roads such as Queens Boulevard the Queensboro Bridge, and the Queens Midtown Expressway. The space requirements for the potentially displaced businesses are not extraordinary and can be accommodated by a variety of building styles. Generally, industrial rents in the Long Island Industrial Business Area are between \$12 and \$18 per square foot for spaces less than 10,000 square feet and between \$12 and \$14 for space needs above 10,000 square feet.⁸

Finally, these potentially displaced businesses would not have a significant adverse effect on the remaining businesses or consumers in the study areas. With the exception of one convenience retail location, the establishments subject to displacement do not provide goods and services that local residents rely on for their day-to-day needs, nor are they businesses that require close proximity to study area

⁸ Debbie Mesloh, Long Island City Business Development Corporation, IBZ Manager.

establishments. For example, AFGO Mechanical Services, PCC Wireless, Aria Limousine, Inc., and Construction 2001 could readily find space throughout the City and continue to access their existing customer base. The study area has a wide array of both convenience retail (such as LIC Deli & Grocery, Crescent Street Deli & Grocery, traditional grocery stores like Trade Fair and an International Supermarket on 36th Avenue and other retail establishments (such as Echo Drug, Rite Aid) to meet the needs of local residents. Additionally, the product and service mix of the potentially displaced industrial businesses are not uniquely dependant upon the study area's customer base. It is not expected that moving out of the study area would create an insurmountable or unreasonable hardship for these businesses because they generally do not include a location-specific business model that is reliant on close proximity to a customer base.

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

The potentially displaced businesses are not the subject of regulations or publicly adopted plans that preserve and protect their business category. As shown in Figure 3-4, virtually the entire rezoning area is within the City-designated Ombudsman Area of the Long Island City Industrial Business Area. While properties within an Ombudsman Area receive business services, the services are not designed to preserve, enhance, or protect any specific category of business or institution.

3. Do the businesses or institutions in question define or contribute substantially to a defining element of neighborhood character, or do a substantial number of businesses or employees that would be displaced collectively define the character of the neighborhood?

According to the *CEQR Technical Manual*, neighborhood character is defined by certain features, such as land use, urban design, visual resources, historic resources, socioeconomic conditions, traffic, or noise, which, depending on the neighborhood in question, create its distinct "personality." The businesses that would be displaced do not individually or collectively define neighborhood character within the study area. As detailed in Chapter 2, "Land Use, Zoning, and Public Policy," the study area is characterized by a mix of uses, including residential, commercial office, industrial, community facilities, and vacant land.

Economic sectors with the highest employment in a study area tend to be those which contribute substantially to the character of the neighborhood in an economic sense. As shown in Table 3-3, economic sectors with the highest employment in the study area are manufacturing, educational, health and social services, construction, transportation and warehousing and other services (including auto repair). These four industry categories account for a majority (approximately 55 percent) of the employment in the study area.

Table 3-3 also shows the potentially displaced employment by industry sector. The industry category most affected by potential displacement would be wholesale trade, from which almost 10 percent of the study area's employment could potentially be displaced. However, Wholesale Trade is not a defining industry category from an employment perspective; jobs in wholesale trade make up only 6.3 percent of the study area's employment in 2000. For all other industry sectors, the employment loss would represent less than five percent of each sector's employment within the study area. Although each business adds to the commercial fabric, they do not individually or collectively define the character of the study area based on the criteria described in the *CEQR Technical Manual*. Therefore, the amount of potential displacement that could occur within these sectors would not create a significant adverse impact on neighborhood character.



-  Rezoning Area Boundary
-  Socioeconomic Study Area
-  Census Tract Boundary
-  Industrial Business Zone (IBZ)
-  Industrial Ombudsman Area

	<p>New York City Department of City Planning</p>
<p>Dutch Kills Rezoning and Related Actions</p>	
<p>Long Island City Industrial Business Area</p>	
	<p>The Louis Berger Group, Inc. Figure 3-4</p>

Overall, the preliminary assessment of direct business and institutional displacement concludes that the proposed actions would not result in significant adverse impacts, and no further analysis of this issue is required.

**Table 3-3
Employment by Industry Sector for the Study Area, Queens, and New York City**

Industry Sector	Est. Displaced Employment	Percent of Displaced Employment	Study Area	Percent	Queens	Percent	New York City	Percent
Agriculture, forestry, etc	0	0.0	-	0.0	325	0.1	2,190	0.1
Armed forces	0	0.0	4	0.0	215	0.0	2,150	0.1
Arts, entertainment, etc	5	1.3	710	4.0	38,500	6.5	276,230	7.4
Construction	64	17.1	2,310	12.9	43,785	7.3	171,880	4.6
Educational, health and social services	0	0.0	2,505	14.0	143,245	24.0	838,210	22.3
FIRE	6	1.6	1,003	5.6	35,980	6.0	488,170	13.0
Information	35	9.4	874	4.9	15,755	2.6	219,010	5.8
Manufacturing	78	20.9	2,895	16.2	46,945	7.9	226,420	6.0
Other services (except public administration)	16	4.3	1,444	8.1	35,445	5.9	189,985	5.1
Prof, scientific, mgmt admin, waste mgmt	14	3.7	949	5.3	38,720	6.5	475,170	12.7
Public administration	0	0.0	543	3.0	34,480	5.8	191,285	5.1
Retail trade	27	7.2	1,430	8.0	56,170	9.4	306,865	8.2
TWU	23	6.1	2,070	11.6	85,285	14.3	248,485	6.6
Wholesale trade	106	28.3	1,120	6.3	21,700	3.6	119,075	3.2
Total	347	100.0	17,857	100.0	596,550	100.0	3,755,125	100.0

Notes: FIRE is Finance, Insurance and Real Estate; TWU is Transportation, Warehousing, and Utilities.

Sources: Census Bureau, DCP, Reverse Journey to Work data 2000

INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

Like the assessment of indirect residential displacement, the preliminary assessment of indirect business and institutional displacement focuses on whether the proposed actions could increase property values and rents within the study area, making it difficult for some categories of businesses to remain in the area.

EXISTING CONDITIONS

Economic Activity

The study area is characterized by a highly diverse, mixed-use development pattern that often places seemingly disparate uses directly next to, or across from, one another. For example, many blocks have light industrial uses immediately adjacent to residential homes and retail uses. In addition, commercial uses like hotels and office space dot the neighborhood. In all, almost half of the blocks within the rezoning area have active light industrial uses. The following provides description of the prevailing economic activities within sections of the study area (See Figure 3-5):

Economic Area A: South of 41st Ave./west of Northern Blvd./north of Queens Plaza/east of Vernon Blvd. – This portion of the study area is experiencing the most intense new residential construction. Two large condominium projects, View59 and Crescent Club, are being constructed in this area. Remaining uses include various auto-related sites that include parking/storage and repair. In addition, on the east side of the subarea is the Met Life office complex, which is being offered for sublet. Other lots in the area are underutilized or vacant.



-  Rezoning Area Boundary
-  Socioeconomic Study Area
-  Economic Area Boundary
-  Industrial Business Zone (IBZ)
-  Industrial Ombudsman Area

Economic Area B: South of 36th Ave./west of 23rd Street/north of 41st Ave./east of Vernon Blvd. –

This area has about 19 blocks that are located within the Long Island IBZ and is a heavily industrial area. Main uses in this area are automotive, warehousing, with a few commercial businesses fronting 21st St., such as Staples. There are also industrial businesses, including a laundry service for commercial applications, and a silk wholesaler/manufacturer. The Queensbridge South public housing development in the southwest of this area helps to support a commercial retail cluster along 40th Avenue. This retail activity includes hair salons, a 99 store, small take out restaurants, and bodegas.

Economic Area C: South of 34th Ave./west of Northern Blvd./north of 37th Ave./east of 12th St. –

This portion of the study area has the highest concentration of contiguous residential uses. There are pockets of commercial/industrial activity within the area, but not as concentrated or as abundant as other portions of the study area. The exception is a strong commercial corridor with a few institutional and residential uses located along 36th Street north of 37th Avenue within the Long Island IBZ. One of the main businesses in this IBZ area is the Kaufman Astoria Studios, where television shows are produced. Other uses are varied and include smaller-scale, low-rise, industrial uses, with residential and commercial scattered throughout. Commercial uses scattered throughout the area are geared toward neighborhood residential customers, such as the Trade Fair, a fitness gym, and a new International Supermarket.

Economic Area D: South of 37th Ave./west of Northern Blvd./north of 41st Ave./east of 24th St. (rezoning area) –

This area is extremely mixed in the types of uses that are next to one-another on individual blocks. Residential, institutional and retail uses are located next to, or across the street from, light industrial, warehouse, and automotive uses. This area has absorbed all of the study area's recent hotel construction, including the Clarion, Quality Inn, and Holiday Inn brands. ~~Eight~~ Other hotels are planned within an area roughly bound by 37th Street to the west, 40th Avenue to the south, Crescent Street to the east, and 38th Avenue to the north. This includes the bulk of the ~~all of the~~ known hotel construction activity in the study area⁹.

Employment

In 2000 the study area contained an estimated 17,857 workers (see Table 3-3). The manufacturing sector has the largest share of study area's employment (16.2 percent), followed by educational, health, and social services (14.0 percent), construction (12.9 percent), and transportation and warehousing (11.6 percent). These four categories account for approximately 55 percent of the employment within the study area. Field surveys indicate that this employment does not appear to be concentrated in just one corner or pocket of the neighborhood, but is scattered throughout.

More than half of the study area falls within the Long Island City Industrial Business Area, mainly south of 36th Avenue. The LIC Industrial Business Area is one of four in the City that has a mix of Ombudsman and IBZ designated blocks or lots. The Ombudsman designated areas allow for a city liaison to help businesses with questions or concerns, while the IBZ designation can provide for a one-time \$1,000 tax credit per job if a company relocated into an IBZ area, and also provides the added certainty of knowing the Bloomberg Administration will not support zoning changes that would allow residential uses on industrial sites. As previously noted, whether a business is located within an Ombudsman area or IBZ can help a business stay or

⁹ List of new hotel construction was provided by the New York City Department of City Planning, 2007. Prior to publication of the FEIS, DCP learned that certain development sites within the rezoning area are being developed for hotel use (see footnote on page 1-15).

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relocate in the city, but it cannot help that business from getting priced out of commercial space due to rising rents.

Commercial Space

Overall, the retail, office, and industrial buildings within the neighborhood have been reasonably maintained. Field surveys show that most buildings have had good maintenance performed on them and that facades are generally in good repair. The condition of the commercial space observed is expected for buildings that were constructed in the early part of the 20th century. CoStar, a respected commercial real estate tracking company, confirms the neighborhood has acceptable levels of space availability. Table 3-4 shows the various commercial categories within the neighborhood and estimated vacancy rates.

Table 3-4
Commercial Categories within Neighborhood

Type	# of Properties	Weighted Avg. Asking Rent (\$/sf)	Space Available (sf)	Estimated Vacancy Rate
Industrial	99	\$14.79	193,803	8.4%
Office*	43	\$25.81	210,256	8.2 %
Retail	54	\$28.80	103,138	16.2%

Notes: *This figure does not include the sublease space being offered in the Met Life complex. If this space is included, the space available for office increases to 596,856sf and the vacancy rate becomes. 23.2 percent

Sources: CoStar, Inc.

Available data from Cushman & Wakefield (office space) and Grubb & Ellis (industrial space) show that these asking rents and vacancy rates are in line with the rest of Long Island. Cushman & Wakefield estimate the overall vacancy rate for office space in Long Island to be 10.9 percent with asking rents for Class A office space at \$36.24. The neighborhood shows a lower vacancy rate and lower asking rents than Long Island as a whole. Similar results are reported by Grubb & Ellis for industrial space, although the neighborhood has a much higher estimated vacancy rate than the overall market. Asking rents are somewhat higher than the overall market asking rate (\$12.46 psf).

Retail statistics for the broader market are difficult to attain given the relatively high turnover of retail tenants. Reliable third party data was unavailable; however, there appears to be ample room for retail growth/absorption within the neighborhood, according to CoStar data.

Commercial Space Availability outside Study Area

According to the Mayor's Office for Industrial and Manufacturing Businesses, there are 18 Industrial Business Areas, with 16 designated with IBZ blocks in the City. Three are located in Queens (Long Island City, Maspeth, and Steinway), and the remaining IBZs are located in the four other boroughs. In addition to the IBZs, there are about 6.5 million square feet of vacant industrial space available in Long Island according to Grubb & Ellis and about three million square feet of available office space available according to Cushman & Wakefield. Potentially displaced businesses have a variety of options within the immediate surrounding area like Hunter's Point, Queens West, and Long Island City Industrial Core (all subdistricts within the Long Island City IBZ) and other vacant industrial, office, and retail locations.

CEQR ASSESSMENT CRITERIA

The preliminary assessment responds to the following CEQR questions (numbered in italics below) to determine the potential for significant adverse impacts:

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

The proposed action would introduce zoning changes that would allow for low- to medium-density residential uses within a mixed-use area that has a combination of industrial, commercial and residential uses. This zoning change is expected, under the RWCDS, to result in a net decrease of 197,470 square feet of commercial space, a net decrease of 180,536 square feet of industrial space, and a net decrease of 41,697 square feet of community facility space, on projected development sites within the rezoning area. Because the proposed zoning actions would allow for mixed-uses to continue, there would not be any specific new economic activities introduced to the study area. For instance, the RWCDS would result in a net increase in only housing units and parking spaces, which are already prevalent in the study area, thus no specific new economic activities would be introduced by the proposed action. The proposed actions would permit commercial, office and light industrial uses, all of which are already present and well-established in the study area.

2. Would the proposed actions add to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to alter existing economic patterns?

The proposed actions would encourage more residential uses, which in turn could make the area more attractive for new and different commercial activities. As the area becomes more densely populated, owners of surrounding industrial and commercial buildings may seek higher returns by raising rents and attracting residential-oriented uses to their properties. Typically, retail establishments and other stores catering to a residential population pay higher rents than industrial and manufacturing uses.

Even certain commercial uses within sectors that are generally compatible with economic trends may be vulnerable if their product is directed towards a demographic market that is dwindling in the area. For example, although neighborhood services and convenience goods stores generally benefit from increases in residential population, if a store targets a particular demographic group whose numbers are decreasing within the study area even as total population is increasing, then that store may be vulnerable to displacement due to increases in rent.

The proposed actions would introduce an increase in new business opportunities as residential uses are added to the study area. This potential influence could alter the spending patterns that support various business types in the area. Also, uses that are less compatible with residential conditions (such as manufacturing) are less able to afford increases in rent due to increases in property values compared to a neighborhood services use, such as a restaurant, which could see increased business activity from an increased residential presence. The proposed actions would add to the residential activity in this area, but it would not be of an amount large enough to significantly alter or accelerate the ongoing trend.

Potentially vulnerable businesses located in the southern portion of the study area are typical for the Dutch Kills neighborhood and include taxi lots, auto repair shops, and warehousing facilities. The additional residential activity generated by the proposed actions would reflect, rather than alter or accelerate trends in this area. There could be indirect displacement resulting from a combination of existing, planned, and proposed residential development, but the displacement would not be significant. While all businesses contribute to neighborhood character and provide value to the City's economy, the

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loss of potentially vulnerable businesses would not rise to a level of significance in terms of its impact on the City's or area's overall economy.

Commercial and manufacturing uses in the area to the west of the rezoning area between 24th Street and Vernon Boulevard are protected by its inclusion within the Long Island City IBZ.¹⁰ This area has maintained its industrial identity despite large scale Housing Authority developments nearby, and the proposed actions would not significantly alter or accelerate market opportunities in this area. A majority of the new, more upscale retail offerings are being located northeast of this area, near a successful commercial center along Steinway Street between 35th Avenue and Broadway.

Overall, the proposed actions would contribute to an ongoing study area trend toward increased residential activity. This increase in residential activity could lead to the indirect displacement of some area businesses. However, the proposed actions would not result in significant adverse impacts because: the potential displacement pressures would exist in the future with or without the proposed actions; the uses that are vulnerable to displacement—while they contribute to neighborhood character and provide value to the City's economy—are not of substantial economic value as defined by CEQR; and the properties where displacement could occur would not remain vacant—they would be redeveloped with uses that contribute to the overall economic vitality of the neighborhood.

3. Would the proposed action directly displace uses or properties that have a "blighting" effect on commercial property values in the area, leading to rises in the commercial rents?

As shown in Table 3-3, 40 projected development sites contain 35 businesses with an estimated 374 employees. If these sites are redeveloped as assumed under the RWCDS, it is possible that these existing firms could be displaced, subject to lease terms and agreements between private firms and property owners existing at the time of redevelopment. Field surveys revealed that businesses located on projected development sites do not appear to have a "blighting" effect on commercial property values. Many of the properties contain industrial, commercial and residential uses that are commonly found in mixed-use neighborhoods, and generally are not in a condition so severe that they would negatively affect the properties around them.

Commercial properties located adjacent to, or in close proximity to potentially displaced businesses appeared to be active, and in good physical condition. For example, the potential development sites on blocks roughly bounded by 40th Road on the south, 31st Street on the east, 39th Avenue on the north, and 29th Street on the west, contain underutilized properties that range from vacant lots with overgrown weeds to vacant warehouses and boarded up buildings. However, on these same blocks are a new Clarion Hotel, Quality Inn, and Holiday Inn. These investments show that the nearby uses have not had a significant blighting effect that would discourage new development or raise commercial rents if they were removed.

In addition to the several hotels that have been constructed in the area over the past three years, residential developments are being constructed to the south of the rezoning area along Queens Plaza North. These large-scale condominium developments, The Crescent Club and View59, are being constructed within

¹⁰ The New York City *Industrial Policy: Protecting and Growing New York City's Industrial Job Base* (January 2005) outlines the City's comprehensive policy as it relates to the industrial sector. This policy identifies 16 IBZs throughout the City where manufacturing uses are to be protected and encouraged. IBZs are manufacturing areas for which the City has committed not to implement zoning changes or variances that would allow a change from manufacturing use to residential use. The City is also committed to providing technical and financial assistance to industrial businesses within IBZs and making tax credits available to firms that relocate to IBZs.

sight of several potential development sites at 41st Street and Crescent Street. Removing the current uses on the sites and replacing them with newer uses could enhance the amenities of those living in the area, but removing them would not eliminate a use that has had a blighting effect.

4. Would the proposed actions directly displace uses of any type that directly support businesses in the area or bring people to the area that form a customer base for local businesses?

As shown in Table 3-2, the 40 projected development sites contain 35 businesses with an estimated 374 employees. If these sites are redeveloped as assumed under the RWCDs, it is possible that these existing firms could be displaced, subject to lease terms and agreements between private firms and property owners existing at the time of redevelopment. The uses located on these sites—auto repair shops, wholesale distributors, convenience retail, manufacturing uses—do not directly support businesses in the area or bring people to the area that form a customer base for local businesses. As discussed in the preliminary assessment of direct business and institutional displacement, local businesses do not rely on the potentially displaced businesses' products and services for day-to-day needs. And these uses characteristically do not draw large volumes of customers to their locations so as to create a customer base to surrounding establishments.

5. Would the proposed actions directly or indirectly displace residents, workers, or visitors who form the customer base of existing businesses in the Study Area?

The proposed actions would not directly or indirectly displace enough residents, workers, or visitors to adversely affect the customer base of existing businesses in the study areas. As described in the preliminary assessment of direct residential displacement, there are only 57 residents that could potentially be directly displaced; this is not of an amount that would alter the customer base of existing businesses in the study areas. As shown in Table 3-2, 40 projected development sites contain 35 businesses with an estimated 374 employees. If these sites are redeveloped as assumed under the RWCDs, it is possible that these existing firms could be displaced, subject to lease terms and agreements between private firms and property owners existing at the time of redevelopment. These workers account for approximately 2.1 percent of the overall employment in the study area. It is unlikely that the low number of directly displaced workers would have a significant impact on surrounding businesses.

With respect to indirectly displaced residents and workers, as described in the assessment of indirect residential displacement and this assessment of indirect business displacement, the proposed actions are not expected to result in significant adverse impacts due to indirect displacement of residents or workers. While potentially displaced employees and residents may form a portion of the customer base of neighborhood service establishments (food and drink establishments, retail, etc) they would be replaced by a new residential population, as intended by the goals of the proposed actions. In addition, new commercial uses that are being attracted to the area due to a growing residential base would also bring added employment to the area. Overall, the proposed actions would result in a net increase in residents that would add to the customer base of existing study area businesses.

6. Would the proposed action introduce a land use that could have a similar indirect effect, through the lowering of property values if it is large enough or prominent enough, or combines with other like uses to create a critical mass large enough to offset positive trends in the Study Area, to impede efforts to attract investment to the area, or to create a climate for disinvestment?

The proposed actions would rezone the study area to encourage moderate- and higher-density residential development near public transportation, as well as support continued economic growth in this mixed-use residential, commercial and light industrial community. This change would retain current industrial and commercial zoning and encourage continued development of neighborhood services such as retail and convenience goods. More residential uses would also add new households that could support additional neighborhood services that would also benefit employees in the area. Uses encouraged by the proposed

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actions would be similar to uses currently occupying the study area and would not offset positive trends, impede efforts to attract investment to the area, or create a climate for disinvestment.

Although the existing M1-3D district will be reduced in FAR, the rezoning area's industrial and commercial businesses have not generally built to the maximum allowable FAR over the previous decades, with the exception of the development of new hotels very recently. In many instances, firms have closed and buildings have been demolished.

ADVERSE EFFECTS ON A SPECIFIC INDUSTRY

According to the *CEQR Technical Manual*, a significant adverse impact may occur if an action would measurably 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* would be new regulations that prohibit or restrict the use of certain processes that are critical to certain industries. The following preliminary analysis is illustrated based on screening criteria presented in section 323 of the *CEQR Technical Manual*.

1. Would the proposed actions significantly affect business conditions in any industry of any category of business within or outside the study areas?

The businesses that could be displaced vary and do not represent a significant concentration in any one business category. And while all businesses provide value to the City's economy, the services offered by potentially displaced businesses are not essential to the viability of other businesses within or outside of the study areas. In this case, there would not be an adverse impact on any specific industry within or outside of the study area.

2. Would the proposed actions indirectly substantially reduce employment or impair the economic viability in the industry or category of businesses?

As described in the assessments of business displacement, the proposed actions do not have the potential to displace a substantial amount of employment from any one industry sector or category of businesses. Therefore, there would be no significant adverse impact on any specific industry or category of businesses.

E. DETAILED ANALYSIS OF INDIRECT RESIDENTIAL DISPLACEMENT

The preliminary assessment for indirect residential displacement indicated the need for a detailed analysis to determine whether the proposed actions would result in significant adverse impacts. According to Chapter 3B, Section 332.1 of the *CEQR Technical Manual*, the approach to a detailed analysis of indirect residential displacement is similar to that of the preliminary assessment but requires more in-depth analysis of Census information and may include field surveys. The objective of this analysis is to characterize existing conditions of residents and housing in order to identify populations that may be vulnerable to displacement (populations "at risk"), to assess current and future socioeconomic trends in the area that may affect these populations, and to examine the potential effects of the proposed actions on prevailing socioeconomic trends and, thus, its effects on the identified populations at risk.

EXISTING CONDITIONS

This section describes the population and housing characteristics of the study area as it relates to potential indirect residential displacement. It outlines trend data since 1989, and compares the study area characteristics with the characteristics of Queens and New York City as a whole.

POPULATION

According to the Census, the residential population of the study area was approximately 34,190 in 2000. As shown in Table 3-5, between 1990 and 2000, the study area increased its population by 7.7 percent, which was approximately half the growth rate of Queens (14.2 percent), and slightly less than the growth of the City as a whole (9.4 percent). During the period of 2001 through 2007, the study area saw relatively slower growth. Over those six years, the study area’s population growth (1.1 percent) was slightly lower than Queens (1.8 percent). Both areas lagged behind growth in the City as a whole (3.3 percent).

**Table 3-5
Population**

	1990	2000	Est. 2007	% Change 1990-2000	% Change 2001-2007
Study Area	31,745	34,190	34,552	7.7	1.1
Queens	1,951,598	2,229,379	2,270,338	14.2	1.8
New York City	7,322,564	8,008,278	8,274,527	9.4	3.3

Notes: 2007 population for the study area was estimated by applying the 2000 average household size and vacancy rate to the total number of new units added to the study area between 2001 and 2007. Most recent 2007 population for Queens and New York City is from the U.S. Census Bureau’s Annual Population Estimates.

Sources: U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census, Summary File 1; New York City Department of Finance; Real Property Assessment Data; AKRF, Inc..

Table 3-6 demonstrates how the total population is distributed into various age brackets in 1990 and 2000. Over these ten years, the proportion of residents over 60 experienced the most dramatic change—falling 3.8 percentage points. This was a slightly larger decrease than what was experienced by Queens and New York City, which fell 3.0 and 1.9 percentage points, respectively. At the same time, the study area’s “young workforce” share of the population (18-24 years) increased its share by 0.3 percentage points, while Queens and New York City both saw a decrease of 0.6 percentage points within this age bracket. Overall, these figures reveal that from 1990 to 2000, the study area’s share of under 35 years grew, while Queens and New York City experienced an increase in population between the ages 35 and 60.

**Table 3-6
Age Distribution as a Percent of Total Population**

1990					
	0-17	18-24	25-34	35-59	60+
Study Area	23.5	10.6	20.2	28.9	16.9
Queens	20.9	10.2	18.6	30.5	19.8
New York City	23.0	10.6	18.7	30.2	17.5
2000					
	0-17	18-24	25-34	35-59	60+
Study Area	24.9	10.9	20.3	30.8	13.1
Queens	22.8	9.6	16.8	33.9	16.8
New York City	24.2	10.0	17.1	33.0	15.6

Sources: U.S. Bureau of the Census, 1990 and 2000 Census Summary File 1.

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HOUSEHOLDS

There was practically no growth in households in the study area from 1990 to 2000 (a net increase of three households), while the total increase in population was 7.7 percent, indicating an overall increase in the average household size (see Table 3-7. This lack of growth in households is partly attributable to existing zoning that did not permit higher-density residential development during this time frame. Overall, the average household size in the study area increased over the ten-year period from 2.43 in 1990 to 2.61 in 2000 (7.4 percent). Compared to the Borough, the average household size of the study area was 7.7 percent smaller, though 0.8 percent larger than New York City.

According to the Census, a higher proportion of people moved into the study area between 1990 and 2000 than in Queens and New York City (see Table 3-8) In 2000, approximately 62.5 percent of the study area's population has moved to the area within the past 10 years (i.e., since 1990), slightly higher than the Borough (58.5 percent) and City (59.8 percent). During those ten years, the study area may have absorbed a substantial amount of relatively larger families or more generally, a larger number of people per household as compared to the Borough and City. This would account for an increased household size, combined with a stagnant number of housing units which reflects the current restrictive zoning framework for residential.

Table 3-7
Household Characteristics

	Total Households			Average Household Size		
	1990	2000	% Change	1990	2000	% Change
Study Area	13,063	13,066	0.0	2.43	2.61	7.5
Queens	720,149	782,664	8.7	2.67	2.81	5.1
New York City	2,819,401	3,021,588	7.2	2.54	2.59	2.0

Sources: 1990 and 2000 U.S. Census, Summary File 1 and Summary File 3, AKRF, Inc

Table 3-8
Year Moved into Housing Unit, 1990 & 2000

		Year Moved Into Housing Unit				
		1990-2000 ¹	1980 to 1989	1970 to 1979	1969 or earlier	Total
Study Area	1990	-	51.2%	24.2%	24.6%	100.0%
	2000	62.5%	14.3%	11.9%	11.3%	100.0%
Queens	1990	-	52.9%	21.9%	25.2%	100.0%
	2000	58.5%	15.9%	12.4%	13.2%	100.0%
New York City	1990	-	55.7%	23.5%	20.8%	100.0%
	2000	59.8%	16.3%	13.0%	10.9%	100.0%

Notes: 1- This includes all housing units through March 2000.

Sources: U.S. Bureau of the Census, 1990 and 2000 Census Summary File 1.

Income

Income characteristics are described below using three measures: median household income, poverty status and the overall distribution of household incomes within the study area, overall Borough and City.

Among all areas, median household income decreased between 1989 and 1999. As shown in Table 3-9 the study area’s 1999 income was \$35,934—53.4 percent lower than Queens (\$55,115) and 38.4 percent lower than New York City (\$49,731). While the study area’s median income was relatively less than the entire Borough and City, it decreased only 1.4 percent (\$505), from \$36,439 in 1989. During the same time, Queens and New York City saw more dramatic declines—8.4 and 5.3 percent, respectively.

**Table 3-9
Income and Poverty Status**

	Median Household Income ¹			Poverty Status ²		
	1989	1999	%Change	1989	1999	%Change
Study Area	36,439	35,934	-1.4	23.8	29.7	24.8
Queens	60,171	55,115	-8.4	10.9	14.6	33.9
New York City	52,491	49,731	-5.3	19.3	21.2	9.8

Notes:

¹ Median household income presented in constant 2008 dollars based on the U.S. Department of Labor Bureau of Labor Statistics’ January 2008 Consumer Price Index for all urban Consumers for New York-Northern New Jersey-Long Island.

² The Census Bureau uses as set of money income thresholds that vary by family size and composition to detect who is poor. If the total income for a family or unrelated individual falls below the relevant poverty threshold, then the family or unrelated individual is classified as being “below the poverty level.”

Sources: 1990 and 2000 U.S. Census, Summary File 1 and Summary File 3, AKRF, Inc..

Between 1989 and 1999 all areas had an increase in the number of persons living below the poverty level. The numbers of residents living in poverty grew by approximately 24.8 percent over that decade, compared to a 33.9 percent increase for the Borough and a 9.8 percent increase for the City. Within the study area census tracts, Tracts 25 and 43, had a total of 52.8 and 40.7 percent of population living below the poverty level, respectively (see Figure 3-6). This was due in large part to the presence of two large New York City Housing Authority housing projects located within these tracts, accounting for this relatively high concentration of residents living below the poverty level.

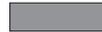
Income distributions indicate that a higher proportion of residents in the study area earn incomes lower than \$51,947 (65.2 percent) relative to Queens (46.6 percent) and New York City (51.6 percent). This indicates that more than half of all study area residents earn incomes below the Queens median income of \$55,115. As shown in Table 3-10, the highest proportion (32.9 percent) of residents earned incomes in the lowest income bracket (below \$19,479). The opposite was true for the Borough and City. The highest share of residents in Queens and New York City earned incomes in the highest bracket, approximately 34 percent of Queens residents, and 31.7 percent of New York City residents earned over \$77,921 as of 1999.

Housing Characteristics

The type, quality and age of housing structures vary across the study area. Generally, most dwelling units are located within the northern portion of the study area, which is located in the southern portion of Astoria (see Figure 2-3). Closer to Long Island City toward the south, residences are less concentrated, and are located in closer proximity to industrial and commercial uses than residences in the northern portion. Most residential structures throughout the study area are small in scale, consisting of attached and detached single family homes in two to four-story buildings. To the west, particularly in Tracts 25 and 43, NYCHA properties account for larger buildings in more densely populated residential areas.



-  Rezoning Area
-  Socioeconomic Study Area
-  Census Tract Boundaries

- Percent of Population Below Poverty Level
-  Under 20%
 -  20-40%
 -  Greater than 40%

- New York City Housing Authority (NYCHA) Housing Units
-  Queensbridge (3,142 units)
 -  Ravenswood (2,163 units)

0 1000 2000 FEET
SCALE

	<p>New York City Department of City Planning</p>
	<p>Dutch Kills Rezoning and Related Actions</p>
<p>Percentage of Population Below Poverty Level, 1999</p>	
	<p>The Louis Berger Group, Inc. Figure 3-6</p>

Table 3-10
1999 Household Income Distribution

	Less than \$19,479		\$19,480- \$38,960		\$38,961-\$51,946		\$51,947-\$77,920		\$77,921 and Over	
	Population	Percent	Population	Percent	Population	Percent	Population	Percent	Population	Percent
Study Area	4,340	32.9	2,707	20.5	1,549	11.8	1,879	14.3	2,706	20.5
Queens	134,118	17.1	137,267	17.5	93,964	12.0	151,390	19.3	265,907	34.0
New York City	699,727	23.2	528,994	17.5	328,995	10.9	506,650	16.8	958,161	31.7

Notes: Median household income presented in constant 2008 dollars based on the U.S. Department of Labor Bureau of Labor Statistics' January 2008 Consumer Price Index for all urban Consumers for New York-Northern New Jersey-Long Island.

Sources: 2000 U.S. Census, Summary File 3, AKRF, Inc.

As shown in Table 3-11, the 2000 Census counted a total of 13,285 housing units in the study area, with an additional 141 units added as of 2007 (a 1.1 percent gain). In total, 1.6 percent of all housing units in the study area were vacant in 2000—2.6 and 4.0 percentage points lower than Queens and New York City, respectively. A higher proportion of residents in the study area were renters (89.3 percent) compared to Queens (54.8 percent) and the City (65.9 percent). This high concentration can be attributed to the presence of two aforementioned NYCHA properties, which accounted for 5,306 dwelling units (40.6 percent) of the total number of occupied housing units in 2000.

Table 3-11
Housing Unit Characteristics

	Total Housing Units			Vacancy Rate		2000 Tenure, All Occupied Units	
	1990	2000	Est. 2007	1990	2000	% Owner-Occupied	% Renter-Occupied
Study Area	13,384	13,285	13,426	2.4	1.6	9.1	89.3
Queens	752,690	817,250	NA	4.3	4.2	41.0	54.8
New York City	2,992,169	3,200,912	NA	5.8	5.6	28.5	65.9

Notes: 2007 housing units were estimated for the study area based on HEIP of the New York City Department of City Planning. All buildings constructed during the period between 2001 and 2007 were considered new housing units, and were added to the 2000 Census Bureau total. Estimates for 2007 housing units for Queens and New York City were not yet available from U.S. Census Bureau's Annual Estimates of Housing Units.

Sources: 1990 and 2000 U.S. Census, Summary File 1, AKRF, Inc..

Table 3-12 shows a distribution of housing units in 2000 based on the year the structure was built. Among all units in the study area, Queens and New York City; 2000 Census data indicate that the study area had a relatively high proportion of units built before 1960 (83.4 percent), while units built between 1980 and 2000 were less common (3.4 percent). The low share of units built after 1980 is attributable to the study area's industrial character. Many of the neighborhoods in LIC were zoned as manufacturing districts since 1961, which would prohibit the development of new housing. Only in the past decade have portions of LIC been rezoned to allow for residential uses as-of-right. Queens showed similar traits, though to a lesser degree. Within the Borough 70.6 percent of units were built before 1960, but 6.1 percent were built between 1980 and 2000. Overall, a higher share of housing units built before 1960 are concentrated the study area than among the entire Borough and City.

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Table 3-12
2000 Housing Units by Year Structure Built

	Built 1939 or Earlier		Built 1940 to 1959		Built 1960 to 1979		Built 1980 to 2000		Total Housing Units	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Study Area	5,156	38.5	6,002	44.9	1,764	13.2	458	3.4	13,380	100
Queens	240,565	29.4	336,899	41.2	189,669	23.2	50,117	6.1	817,250	100
New York City	1,151,286	36.0	998,069	31.2	762,214	23.8	289,343	9.0	3,200,912	100

Notes: The number of housing units in this table presents sample data from Summary File 3. However, the total number of housing units in Table 3-10, "Housing Unit Characteristics," presents 100 percent data from Summary File 1.

Sources: U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census, Summary File 3.

Housing Value

Compared to the Borough and City, 2000 Census data indicate the study area had relatively higher home values, but a lower median contract rent. As indicated in Table 3-13 the median home value in 2000 was \$310,318, which was 15.8 percent higher than the Borough median, and 8 percent higher than the City's. In contrast, while the study area saw the highest increase in median contract rent from 1990 to 2000 (7.9 percent), it remained approximately 32.8 percent lower than the Queens median (\$936) and 19 percent lower than they City's (\$839)¹¹.

Table 3-13
Households and Housing Value Characteristics

	Total Households			Median Contract Rent ¹			Median Housing Value	
	1990	2000	% Change	1990	2000	% Change	1990 ²	2000
Study Area	13,063	13,066	0.0	653	705	7.9	NA	310,318
Queens	720,149	782,664	8.7	903	936	3.7	NA	267,791
New York City	2,819,401	3,021,588	7.2	789	839	6.4	NA	287,271

Notes: ¹Median contract rent and median housing value presented in 2008 dollars.

²Median home values for 1990 and 2000 are not comparable because the Census Bureau's 1990 housing value is based on sample data that excluded multi-unit buildings ("specified owner-occupied units"), while the 2000 median is based on "all owner-occupied units."

Sources: 1990 and 2000 U.S. Census, Summary File 1 and Summary File 3, AKRF, Inc.

RECENT RESIDENTIAL TRENDS

In order to develop a more accurate picture of the current residential real estate market in the study area, the Census data are supplemented with information from local brokerage firms and internet sites. Data gathered through these sources indicate that current market-rate home values and rental rates in the study area are substantially higher than those reported by the 2000 Census.¹²

¹¹ While Census data on median contract rent provide a statistical basis for identifying trends, these data are affected by the presence of rent-regulated housing units in the study area, and therefore do not reflect market trends experienced by many residents in the study area. In order to provide a more accurate picture of current market-rate rents in the study area, information was gathered from interviews with local real estate brokers and other real estate agency web sites.

¹² Median home value data reported in the Census are based on respondents' estimates of how much their properties would sell for if they were for sale, and median contract rent includes data on rent-regulated and rent-controlled apartments. Therefore, these data do not always accurately reflect true market rental rates and sales prices.

In recent years, as residential rental rates and sales prices in Manhattan have escalated, the Dutch Kills area (categorized by many real estate companies as part of Long Island City or Astoria) has become increasingly popular as a conveniently located, lower-cost residential community, specifically with respect to the southern boundary near Queens Plaza between 14th Street and Northern Boulevard. This popularity, mainly due to its proximity to Manhattan, has spurred the construction of several large luxury condominium projects over the past several years. For example, buildings such as the Crescent Club, Queens Plaza North and View 59 are scheduled to introduce a total of 471 units to the study area within the next few years.

Recent listings of homes indicate an increased home value since 2000. As of March 2008, condominiums at the Crescent Club – to contain a total of 140 residential units after completion – sold for between \$389,000 and \$1,040,000 for a studio to two bedroom apartment¹³. An online search of sales prices indicate that homes have been sold for even higher prices. A frequented real estate web site for prospective home buyers- Trulia.com, indicated the median sales prices for the fiscal quarter ending in February of 2008, was \$645,000 in zip code 11101, which incorporates Long Island City, Dutch Kills and Astoria¹⁴. Within the study area, asking prices listed on Prudential Douglas Elliman Real Estate’s web site ranged from \$549,000 for a one bedroom apartment, to \$849,000 for three bedroom condominium.

Regarding the rental market, conversations with local brokers similarly indicate a stronger housing market than those reported by the 2000 Census. According to a representative from Metroline Realty, rents for one bedroom apartments start at \$1,300, while three bedroom units can rent for as high as \$2,400¹⁵. A conversation with a broker from Prudential Douglas Elliman Real Estate indicated that rents in the Dutch Kills area are currently 10 to 15 percent lower than those of Long Island City, highlighting that rents in older walkup buildings are roughly \$500 cheaper than those in newer developments such as those located near Queens Plaza¹⁶. Astoria, lying to the north of the study area may have had similar influences as Long Island City. As advertised on AstoriaRealty.com, one bedroom apartments were advertised for \$1,100 a month to three bedrooms for \$2,200 a month¹⁷.

Rent Regulated and Non-Regulated Housing

The rental rates for many of the housing units in New York City are controlled through several mechanisms: rent control, rent stabilization, direct public subsidies to landlords, and public ownership. There are two main types of rent regulation programs in New York City: rent control and rent stabilization. Rent control limits the rent an owner may charge for an apartment and restricts the right of an owner to evict tenants. In New York City, the rent control program applies to apartments in residential buildings containing three or more units and constructed before February 1947. For an apartment to fall under rent control, the tenant must have been living in that apartment continuously since before July 1, 1971. When a rent controlled apartment becomes vacant, it either becomes rent stabilized or, if it is in a building with fewer than six units, is removed from regulation. Rent stabilization limits the annual rate at which rents can increase. In New York City, rent

¹³ Prudential Douglas Elliman Real Estate web site (www.prudencialelliman.com), accessed March 31, 2008. These figures are the lowest and highest out of 63 “contract signed listings.”

¹⁴ Trulia.com cited this figure based on assessor and title deed data, and Trulia search traffic.

¹⁵ Interview with Metroline Realty representative, April 1, 2008.

¹⁶ Interview with representative Rick Kelly of Prudential Douglas Elliman Real Estate. April 1, 2008.

¹⁷ Astoria Realty. www.AstoriaRealty.com. Accessed April 1, 2008. (This range represents the high and low of eight listings total.)

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stabilization generally applies to apartments in buildings containing six or more units built between February 1, 1947 and January 1, 1974. An apartment is no longer subject to rent stabilization if it becomes vacant and could be offered at a legal regulated rent of \$2,000 or more, or if it is occupied by tenants whose total annual household income exceeds \$175,000.¹⁸

Other types of housing that are rent regulated include Section 8 housing, public housing, Mitchell-Lama developments, and other HPD-owned housing. The study area contains several public housing complexes; within the study area are Queensbridge North and Queensbridge South, and Ravenswood homes (all New York City Housing Authority [NYCHA] housing developments, see Figure 3-6). These buildings contain a total of 5,305 dwelling units, and 11,495 residents, representing 33.3 percent of the 2007 study area population¹⁹.

Population at Risk of Displacement

According to the *CEQR Technical Manual*, a population at risk of indirect displacement consists of renters living in privately held units unprotected by rent control, rent stabilization, or other forms of rent control, whose incomes or poverty status indicate that they could not support substantial rent increases that would occur as a result of the proposed actions.

To estimate the study area population currently at risk of indirect displacement, the analysis first identifies the number of unprotected units in the study area. Census data on household incomes, combined with an examination of recent residential trends, is then used to determine whether these unprotected unit house a population potentially vulnerable to displacement (i.e., whether the occupants of unprotected units could afford rent increases).

Unprotected Units

The populations vulnerable to indirect displacement pressure are those with low and moderate incomes living in buildings not protected by rent control, rent stabilization, or other publicly assisted housing programs. Table 3-14 provides calculations on the numbers of unprotected housing units in the study area, based on information available from HEIP, the New York City Housing Authority, and the 2000 Census, to identify the number of residential units in the study area that are in buildings that meet the following criteria, and therefore are unprotected from rent increases: 1) they are privately owned buildings (i.e. no public housing units); 2) they are subject to rent control or rent stabilization; and/or 3) they are in buildings too small to be subject to rent control or stabilization. The total number of residential buildings with one to four units and five or more units built after 1974 in the study area was determined using RPAD and HEIP data.

Based on the calculations shown in Table 3-14, the study area has a total of 12,048 renter-occupied units, of which 2,028 are unprotected. This number of renter-occupied units represents approximately 15.3 percent of the total number of residential units in the study area and about 16.8 percent of renter-occupied units. A total of 63 out of 71 renter-occupied units in Tract 35 were unprotected, the highest percentage of renter-occupied units among all study area census tracts (88.4 percent).

¹⁸ Rent regulations obtained from the New York State Division of Housing and Community Renewal, Office of Rent Administration and the New York City Rent Guidelines Board.

¹⁹ New York City Housing Authority website: <http://www.nyc.gov/html/nycha/html/home/home.shtml>. Accessed March 20, 2008.

Table 3-14
Estimated Number of Unprotected Units in the Study Area

Row			Study Area ¹	Notes
1	Base of Unprotected Units: Units in Buildings with 1-5 Units	Number of occupied renter-units in buildings with 1-4 units	1,772	Number of units in buildings with 1-4 units (HEIP data) * renter occupancy rate for buildings with 1-4 units (2000 Census)
2		Number of units in buildings with 5 units	65	Derived from RPAD and HEIP data
3		Number of renter-occupied units in buildings with 5 units	62	(Row 2) * renter occupancy rate for buildings with 5-9 units (2000 Census).
4		Total number of rental units in 1-5 unit buildings	1,834	(Row 1) + (Row 3)
5	Additional Unprotected Units: Units in Buildings Built After January 1, 1974	Total units (renter- and owner-occupied) built between 1974 and 2007	310	Derived from RPAD and HEIP data
6		Total units (renter- and owner-occupied) built between 1974 and 2007 and in buildings with 5 units or less	114	Derived from RPAD and HEIP data
7		Total units (owner & renter-occupied) in buildings with more than 5 units, built after January 1, 1974	196	(Row 5) - (Row 6) - Public housing units built between 1974 and 2007 (RPAD and HEIP data)
8		Number of rental units in buildings with more than 5 units, built after January 1, 1974	196	(Row 7) * (renter occupancy rate for buildings with 5+ units). This row filters out owner-occupied units by applying the renter-occupancy rate for each census tract.
9	Total Unprotected Rental Units	Percent of renter-occupied units that are unprotected	16.8	(Row 4) + (Row 8) / (Total number of renter-occupied units)
10		Number of renter-occupied units that are unprotected	2,028	(Row 4) + (Row 8)

Notes: ¹ Detailed totals may not add up due to rounding.
Sources: U.S. Department of Commerce, Bureau of the Census, 2000 Census, Summary File 3; New York City Department of Finance; Real Property Assessment Data 2007; AKRF, Inc..

Identifying Population at Risk

The next step in the analysis is to determine whether a renter population is present in the study area with income characteristics that make them vulnerable to displacement pressures. To determine whether a population at risk exists in the study area, the *CEQR Technical Manual* recommends analyzing Census data on income and renters in structures containing fewer than six units, combined with data on other factors, including the presence of subsidized housing and land use.

The following steps were used to identify a population potentially at risk:

1. Census 2000 tract-level data were used to determine the average household income of renters in small buildings (containing one to four units). As described above, these buildings are not generally subject to rent regulation laws.

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2. For each census tract, the average household income for renters in small buildings was compared with the average household income for all renters in Queens (\$55,269 in 2008 dollars). If the average for small buildings was lower than the Borough-wide average for all renters, the census tract was identified as having a potentially at-risk population.
3. For each census tract identified as having a potentially at-risk population, the number of households in unregulated units was estimated using the methodology shown in Table 3-14, Unprotected Units.

In general, if the average income of renters in small buildings is lower than the average income for all Queens renters, the census tract may contain a population at risk. As shown in Table 3-15 and illustrated in Figure 3-7, there are four census tracts in the study area where the average income for renters in unregulated units in 1999 was lower than the average income for Queens renters (shown in bolded italics in the table)²⁰. The following examines each of the four Census tracts containing 269 dwelling units²¹ to determine whether recent residential development trends (since 2000) may have substantially altered the income levels in a tract, which in turn could alter the number of potentially at risk residents.

Table 3-15
Average Household Income for Renters in
Small Buildings and All Renter-Occupied Buildings in Queens (1999¹) and Number of Unprotected
Housing Units by Tract

Census Tract	Average Household Income for Study Area Renters Living in Small Buildings ²	Difference Between Average Household Income of Study Area Renters in Small Buildings and Average Income for All Queens Renters ³	Total Number of Unprotected Units
25	<i>25,493</i>	<i>(29,776)</i>	0
27	<i>47,855</i>	<i>(7,414)</i>	123
29	<i>37,835</i>	<i>(17,433)</i>	76
31	60,261	4,993	235
35	82,422	27,154	63
43	<i>40,755</i>	<i>(14,514)</i>	22
47	60,713	5,445	179
49	61,828	6,559	105
51	64,985	9,717	213
53	81,398	26,129	559
55	97,502	42,234	111
57	68,487	13,218	295
157	<i>29,136</i>	<i>(26,132)</i>	48
Total			2,028

Notes: ¹ Average household income presented in constant 2008 dollars based on the U.S. Department of Labor Bureau of Labor Statistics' January 2008 Consumer Price Index for all urban Consumers for New York-Northern New Jersey-Long Island.

²The average household income for small renter-occupied buildings is based on renter-occupied units in buildings with one to four units.

³This number represents the difference between the average household income for renters in small buildings and the adjusted average household income for all Queens Renters (\$55,269).

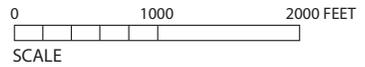
Sources: U.S. Department of Commerce, Bureau of the Census, 2000 Census, Summary File 3; New York City Department of Finance; Real Property Assessment Data 2007

²⁰ All of the housing units in Tract 25 are regulated NYCHA public housing units and have been eliminated from the tract-level analysis.

²¹ This figure has been rounded to the nearest tenth.



-  Rezoning Area
-  Socioeconomic Study Area
-  Census Tract Boundaries
-  Census Tract with Vulnerable Population
-  Difference between average household income for census tracts containing unprotected units and average household income for all renters in Queens (\$55,269)



	<p>New York City Department of City Planning</p>
<p>Dutch Kills Rezoning and Related Actions</p>	
<p>Census Tracts Containing Population Vulnerable to Indirect Displacement</p>	
	<p>The Louis Berger Group, Inc. Figure 3-7</p>

Census Tract 27

Tract 27 is the southernmost tract in the socioeconomic study area, adjacent to the proposed rezoning area. Land use in this Census Tract comprises mainly commercial and light auto-related industrial uses. The assessment conducted above indicates that there are 123 unprotected units, and that average household incomes in unprotected units based on 1999 Census data are slightly below (15.5 percent less than) the Queens average. However, of the 123 unprotected units, 92 are known to be part of luxury condominiums built since 2000: 41st Avenue Condominiums (26 housing units) and Queens Plaza (66 units). Residents living in luxury units constructed after the year 2000 are assumed to have higher incomes, and therefore the population in these units is not at risk of indirect displacement. Given post-2000 real estate and development trends within the census tract, it is likely that the remaining 31 units have also turned over to new residents of higher average household incomes, all of which are not reflected in 2000 Census average household income figures. However, the estimated 86 residents in these units are conservatively assumed to contain a population currently at risk of displacement.

Census Tract 29

Tract 29 encompasses the western portion of the Dutch Kills Rezoning Area. Land use in this Tract is predominantly industrial, with most of its residential use concentrated on the southwest side, within the zoning area. As of 2007, there were an estimated 270 residents living in 76 unprotected units. While no residential units have been constructed since 2000, and there are no known residential projects scheduled for completion between 2007 and 2017, recent residential developments in Long Island City (namely Queens West, completed in 2006) and other developments currently under construction (such as the PowerHouse, One Hunters View, and The Foundry) may be influencing rents for the unprotected units in this Census Tract. However, it is conservatively assumed that this development has not lead to indirect displacement, and that many of the 270 residents could be considered part of a population potentially at risk of secondary displacement.

Census Tract 43

Census Tract 43 is located within the north portion of the Dutch Kills study area. The northern portion of the tract primarily consists of NYCHA public housing units (Ravenswood Homes), while the southern portion contains a mixture of industrial, commercial, residential and institutional land use. As of 2000, there were no new residential units constructed. Renters in small buildings earned an average income of \$40,755—35.6 percent lower than the Queens average for all renters. As of 2007, there were an estimated 54 residents living in 22 unprotected units. These residents could be considered a potential population currently at risk of secondary displacement.

Census Tract 157

Tract 157 is the easternmost tract in the study area. The tract contains a concentration of neighborhood retail establishments within the northeast portion of Steinway Street in Astoria, and more industrial use to the south. Residences are for the most part concentrated on the north side of 41st Street between 35th Avenue and Broadway. Since 2000, 17 residential units were added to the tract. More industrial and commercial uses are concentrated within the south portion of the tract. Average incomes of residents living in small buildings (\$29,136) were less than half of the Queens average (89.7 percent lower). As of 2007, there were approximately 122 residents living in 48 unprotected units. Similar to Tract 29, recent development in the greater Astoria area may be influencing current rents; however, it is conservatively assumed that these 122 residents in unprotected units could be considered a potential population currently at risk of secondary displacement.

Conclusion: At-Risk Population

The above analyses indicate that out of 2,028 unprotected units that are renter-occupied, an estimated 177 units (housing an estimated 532 residents) could be potentially vulnerable to displacement. These residents account for approximately 1.5 percent of the study area population as of 2007.

FUTURE CONDITION WITHOUT THE PROPOSED ACTIONS—2017

This section describes the population and housing conditions that are expected in the future without the proposed actions, and presents development and population changes that are projected to occur in the study area through 2017. The analysis is based on projects known to be planned for the study area.

Where allowable under existing zoning, the study area is experiencing an influx of new residential development. Based on the 2000 study area average household size of 2.61 and occupancy rate of 98.4, the study area will gain an estimated additional 1,925 residents through 2017 without the proposed actions. Absent the proposed actions, the study area is expected to gain 750 residential units by 2017 (see Table 3-16) for a total of 14,176 housing units. Overall, this is a 5.6 percent increase from the number of units in 2007.

**Table 3-16
Population and Housing Growth: Future Condition Without the Proposed Action, 2007-2017**

	Housing Units				Population			
	2007 Housing Units	2007-2017 Planned Housing Units	Total 2017 No Action Housing Units	Percent Growth	2007 Population	2007-2017 Growth	2017 No Action Population	Percent Growth
Study Area	13,426	750	14,176	5.6	34,552	1,925	36,477	5.6

Notes: Population growth was calculated by applying the 2000 average household size and vacancy rate of the study area to the number of housing anticipated to be added between 2007 and 2017.

Sources: U.S. Department of Commerce, Bureau of Census: 1990 and 2000 Census; New York City Department of City Planning Division of Housing Economic Infrastructure and Planning data 2007; New York City Department of Finance; Real Property Assessment Data 2007.

It is anticipated that the majority of new units will be rented or sold at the current market-rate value. As indicated by various residential real estate sources, existing market rate condominiums in Long Island City are expected to cost between \$389,000 to over a million dollars at the Crescent Club. Current rents for available housing units in the area are significantly higher than median contract rents in 2000, as reported in the Census. Current apartment listings in the study area range from \$1,300 to \$2,400, approximately 84.4 percent higher than the median contract rent in 2000²². Thus, new units scheduled to be constructed by 2017, independent of the proposed actions, would likely rent or sell at these prices or higher.

²² According to the US Census Bureau, median contract rent is the middle value of the monthly rent agreed to or contracted for, regardless of any furnishings, utilities, fees, meals, or services that may be included. In addition, this figure is based all area rents, including rent-controlled and rent-stabilized housing units, those of which are less frequently advertised. Although median contract rent is not directly comparable to current rental listings, the disparity between the median contract rent in 2000 and current listings indicate that there has been a notable increase in rents.

Dutch Kills Rezoning and Related Actions EIS

If the projected sites are redeveloped as assumed under the RWCDs, and would mostly contain market-rate units as well as some affordable housing under the proposed Inclusionary Housing Program, the planned developments could introduce a substantial new population with high incomes relative to the existing population. It is possible that by 2017 without the proposed actions, some portion of the vulnerable population identified in the study area could experience rent increases that in turn could result in secondary displacement. Further discussion of this at-risk population is presented below.

FUTURE CONDITION WITH THE PROPOSED ACTIONS

The analysis of the future with the proposed actions considers the effects of the proposed actions in the context of existing conditions and the future without the proposed actions. This section analyzes the uses under the proposed actions by 2017 and evaluates the potential for indirect residential displacement associated with those uses.

The proposed actions would result in net increase of 1,555 residential units to the study area, increasing the housing stock to 15,731 units in 2017. This addition would increase the residential units by approximately 11.0 percent in the study area by 2017 as compared with the future without the proposed actions. Based on the 2000 average household size for the study area (2.61), the proposed actions would add up to 4,061 residents to the study area by 2017, an increase of 11.1 percent compared with the 2017 future without the proposed actions population (see Table 3-17).

Table 3-17
Population and Housing Growth: With-Action Condition, 2017

	Housing Units				Population			
	2017 No-Action Housing Units	Project Increment	Total 2017 With-Action Housing Units	Percent Growth	2017 No-Action Population	Project Increment	2017 With Action Population	Percent Growth
Study Area	14,176	1,555	15,731	11.0	36,477	4,061	40,539	11.1

Notes: Population growth was calculated by applying the 2000 average household size and vacancy rate for the study area to the number of housing anticipated to be added between 2007 and 2017.

Sources: U.S. Department of Commerce, Bureau of Census: 1990 and 2000 Census; New York City Department of City Planning Division of Housing Economic Infrastructure and Planning data 2007; New York City Department of Finance; Real Property Assessment Data 2007.

According to the *CEQR Technical Manual*, indirect displacement of a residential population most often occurs when an action increases property values and thus rents throughout a study area, making it difficult for some existing residents to continue to afford to live in the community. The manual states that:

If the proposed action may introduce a trend or accelerate a trend of changing socioeconomic conditions *and* if the study area contains population at risk, then it can be concluded that the action would have an indirect displacement impact. Understanding the action's potential to introduce or accelerate a socioeconomic trend is a function of the size of the development resulting from the action compared to the study area and the type of action (does it introduce a new use or activity that can change socioeconomic conditions in the study area)...Generally, if the proposed action would increase the population by less than 5 percent, it would not be large enough to alter socioeconomic trends significantly.

As indicated above, the proposed actions would increase the study area by population by 4,061 persons, or 11.1 percent over the 2017 future without the proposed actions condition. Although the *CEQR Technical Manual* does not suggest thresholds for determining the significance of indirect residential

displacement impacts, it does say that an impact could generally be considered significant and adverse if “households or individuals would be displaced by legal means...they would not be likely to receive relocation assistance, and, given the trend created or accelerated by the proposed actions, they would not be likely to find comparable replacement housing in their neighborhood.” While there is the potential for limited indirect displacement as a result of the proposed actions, such displacement would not have the potential to adversely affect socioeconomic conditions in the study area. This detailed analysis of the potential for indirect residential displacement impacts estimate that the study area contains approximately 177 units (532 residents) in Census Tracts 27, 29, 43 and 157 that could be at risk of indirect displacement if their rents were to increase. This would account for approximately 1.7 percent of units in the study area with the proposed Plan in 2017.

The following details the reasons why the proposed actions would not result in significant adverse indirect residential displacement impacts:

- **There is an existing trend toward increased rents that is expected to accelerate in the future without the proposed actions.** Recent data show that there is already an existing trend toward rent increases due to post-2000 development. As evidenced through conversations with local real estate brokers, asking rents for rental units within the study area are considerably higher, particularly with respect to rental units closer to Long Island City—a neighborhood that in recent years, has experienced an influx of new residential development consisting of market-rate and luxury rental units. Market pressures have in effect, spread to adjacent neighborhoods such as Dutch Kills. Census Tracts 27 and 29, located in the southern portion of the study area (containing 107 at-risk units) are located closest to Long Island City. Given their close proximity, it is likely that vulnerable units have already been displaced as a result of these existing market pressures. By virtue of these same pressures, it is also likely that recent development in Astoria—mostly in the form of property conversions and upgrades to existing properties, has influenced rental increases in Tract 157 (containing 48 units).
- **The proposed actions would encourage a mix of market-rate and affordable housing.** The proposed actions would introduce 1,555 units to the study area. As determined by the RWCDs, 187 units (12.1 percent) would be affordable under the Inclusionary Housing program. The new residential population would likely mirror the economic diversity of the existing population in the study areas and would likely be more diverse than the population that will be introduced to the study areas in the future without the proposed actions. As detailed below, this diverse new population and increased housing supply could help to relieve the trend toward increased rents in the study areas, rather than accelerate it.
- **The proposed actions could serve to relieve, rather than increase market pressure in the study area.** Presently, there is a high demand for housing in the surrounding area due to its proximity to Manhattan. The proposal would allow as-of-right residential development in an area that currently prohibits most new residential uses. The development of new residential buildings in the proposed Dutch Kills Subdistrict would increase the supply of housing in an area where housing demand is high.

Overall, this detailed analysis finds that the proposed actions would not result in significant adverse impacts due to indirect residential displacement.

F. CONCLUSION

The proposed actions would not result in significant adverse socioeconomic impacts. Conclusions related to each of the five areas of potential socioeconomic impact, as outlined in the *CEQR Technical Manual*, are summarized below.

DIRECT RESIDENTIAL DISPLACEMENT

Under the RWCDs, the proposed actions could directly displace 22 residential units, and an estimated 57 residents. Based on the guidelines in the *CEQR Technical Manual*, the potential direct displacement of these residents would not result in a significant adverse impact because they do not represent a significant proportion of the study area population, they do not likely have socioeconomic characteristics that differ markedly from the study area population as a whole, and the proposed actions would not result in the loss of any population group within the neighborhood or alter neighborhood character.

INDIRECT RESIDENTIAL DISPLACEMENT

Within the study area there are an estimated 532 residents living in 177 units that are currently vulnerable to indirect displacement due to increased rents. The proposed actions would not initiate a trend toward increased rents in the study area, because at-risk residents are already experiencing rent pressures from new development in the adjacent Long Island City and Astoria neighborhoods. The proposed actions' contributions to rent pressures in the study area would not be significant because the supply of market-rate and affordable housing resulting from the proposed actions could serve to offset rent pressures created by increased demand in the neighborhood. In addition, the proposed actions are expected to result in an additional 187 affordable units through the proposed Inclusionary Housing Program, creating new opportunities for lower-income renters in the area that would face increases in rents with or without the proposed actions.

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The analysis was done for the proposed actions in accordance with the *CEQR Technical Manual*. However, since it is not possible to determine with certainty the future actions of any private property owner, sites are analyzed to illustrate a potential and conservative assessment of the effects of the proposed action on sites considered likely to be redeveloped based on known information, as described in the description of the RWCDs in Chapter 1, "Project Description". Under *CEQR*, displacement of a business or group of businesses is not, in and of itself, necessarily considered a significant adverse impact. Rather, the *CEQR Technical Manual* provides a framework to analyze the effects of displacement by asking whether the businesses in question have "substantial economic value to the City or region" or "contribute substantially to a defining element of neighborhood character." While all businesses contribute to neighborhood character and provide value to the City's economy, the analysis methodology in the *CEQR Technical Manual* seeks to determine whether displacement of a single business or group of businesses would rise to a level of significance in terms of impact on the City's or the area's economy, or the character of the affected neighborhood.

As shown in Table 3-2, 40 projected development sites contain 35 businesses with an estimated 374 employees. If these sites are redeveloped as assumed under the RWCDs, it is possible that these existing firms could be displaced, subject to lease terms and agreements between private firms and property owners existing at the time of redevelopment. The businesses that could be displaced conduct a variety of business activities. Although the potentially displaced firms each contribute to the City's economy and

therefore have economic value, the products and services they provide are widely available in the area and the City and would still be available to consumers as many other existing businesses would remain and firms providing similar products and services would still be available in the surrounding area.

Based on the guidelines in the *CEQR Technical Manual*, the direct displacement of these businesses would not result in a significant adverse impact.

INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The proposed actions would not result in significant adverse impacts due to indirect business and institutional displacement. The proposed actions would increase business opportunities related to residential uses as new housing is developed in the study area. New housing would also increase demand for resident-oriented services. There is already a trend toward increased demand for such services within the study area, and the proposed actions would not significantly alter or accelerate this ongoing trend. Businesses currently vulnerable to indirect displacement due to the ongoing trends in the study area—primarily industrial businesses that do not capture residential consumer spending—would continue to face displacement pressures. And while all businesses contribute to neighborhood character and provide value to the City’s economy, the loss of potentially vulnerable businesses would not rise to a level of significance in terms of its impact on the City’s or area’s overall economy. The study area would continue to maintain a strong industrial presence and character within IBZ and Ombudsman areas, and the services provided by potentially displaced businesses would continue to be provided by other businesses within the study area, the borough, and the City.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

The potentially displaced businesses vary and are not concentrated within a significant business sector. Neither are the businesses subject to displacement essential to the survival of other industries outside of the study area, as they do not serve as the sole provider of goods and services to an entire industry or category of business in the City. Therefore, the potential displacement of these businesses would not result in significant adverse socioeconomic impacts.