

## **A. INTRODUCTION**

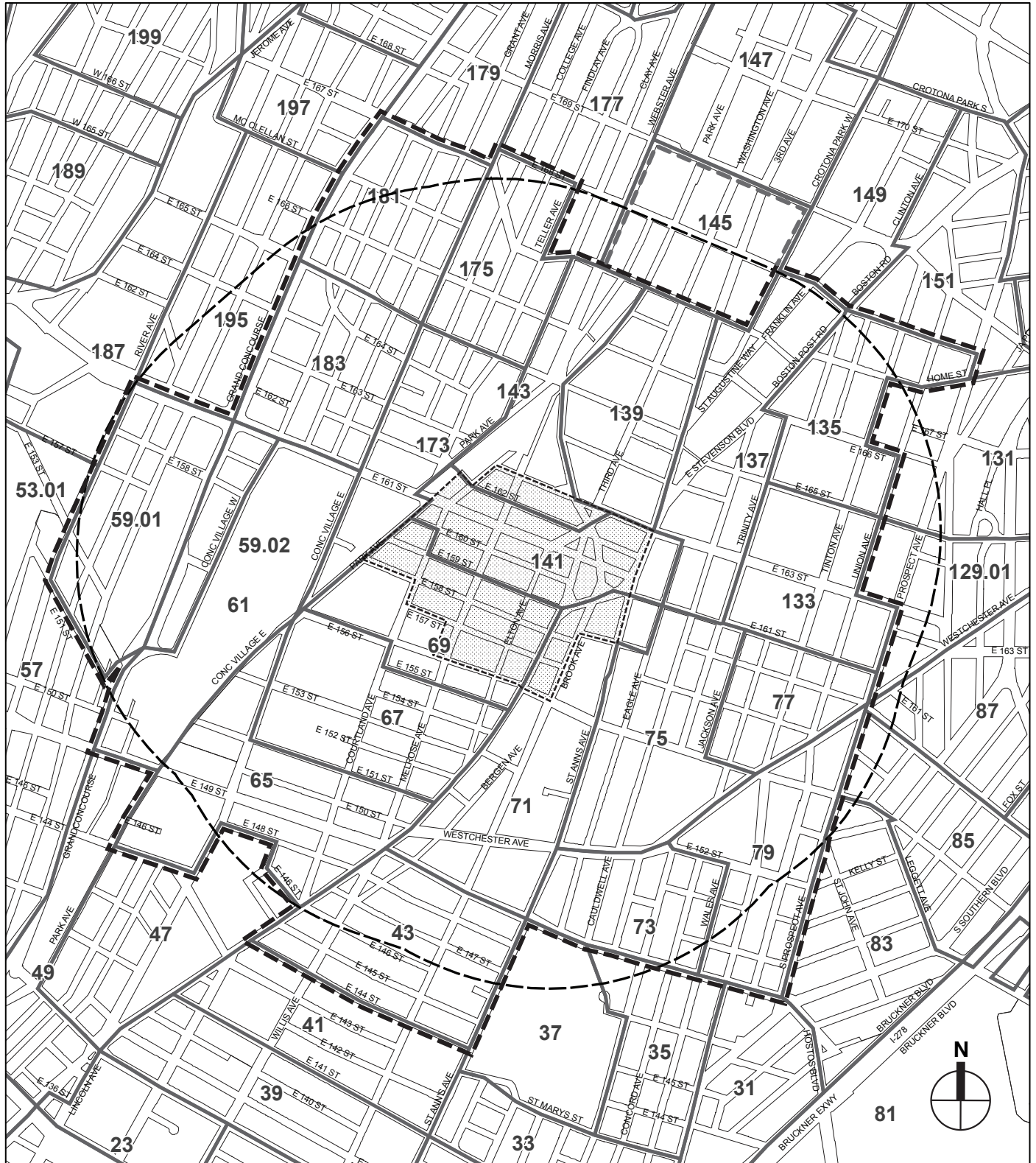
This chapter analyzes potential changes in socioeconomic conditions that may occur in connection with the proposed amendments to the Melrose Commons Urban Renewal Plan (URP) and the proposed zoning map changes. According to the 2001 *City Environmental Quality Review (CEQR) Technical Manual*, factors that could create substantial socioeconomic change in a neighborhood or in a larger area affected by a proposed action include: 1) direct displacement of the residential population on the project site, 2) direct displacement of existing businesses on the project site, 3) indirect displacement of the residential population in the study area, 4) indirect displacement of businesses in the study area, or 5) adverse effects on specific industries not necessarily tied to the project site or to the study area. This analysis finds that the proposed and future actions would not have a significant adverse impact on socioeconomic conditions as a result of the direct or indirect displacement of residents or businesses, nor would it have a significant adverse impact on a specific industry.





## **METHODOLOGY**

The *CEQR Technical Manual* sets forth guidelines to help determine if a socioeconomic impact analysis is required. These guidelines are the basis for this analysis. First, the *CEQR Technical Manual* suggests that a preliminary analysis should be performed if an action would directly displace a residential population such that the socioeconomic profile would be substantially altered. Because the proposed and future actions displace only seven households, of which six have been relocated with the assistance of Phipps Houses, a direct residential displacement analysis is not required. Because the proposed and future actions would directly displace six retail, service, and wholesale trade businesses, a preliminary assessment of direct business displacement has been prepared. The *CEQR Technical Manual* states that projects which include more than 200 residential units or more than 200,000 square feet (sf) of new commercial space should be assessed for their potential to cause indirect displacement. Since the proposed and future actions would result in the creation of approximately 1,770 residential units, a preliminary assessment of indirect displacement is required.

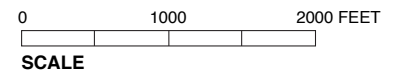
## **STUDY AREA AND DATA SOURCES**

Socioeconomic characteristics are described for a study area that extends approximately ½-mile from the project site and mirrors the study area used in Chapter 2, “Land Use, Zoning, and Public Policy.” As shown in Figure 3-1, the exact boundaries of the socioeconomic study area follow the boundaries of Census tracts, the geographic units for which demographic and employment data are available. Tracts are included in the study area if at least 50 percent of their area lies within the ½-mile perimeter. The majority of Census tract 145 lies outside the perimeter, but is included in the determination of employment information because the concentration of commercial, industrial, and institutional uses is highest in the portion of the



-  Melrose Commons Urban Renewal Area
-  1/2-Mile Perimeter
-  Socioeconomic Study Area Boundary
-  Census Tract Boundary

Note: Census Tract 145 ( - - - ) used for employment data in addition to Census Tracts within Socioeconomic Study Area



tract within the perimeter. Data used in this analysis are derived from the U.S. Census Bureau, site visits, and the New York City Department of Housing Preservation and Development (HPD). Employment information is from the Census Bureau's 2000 Journey to Work data set.

## **B. PRELIMINARY ASSESSMENT**

### **DIRECT RESIDENTIAL DISPLACEMENT**

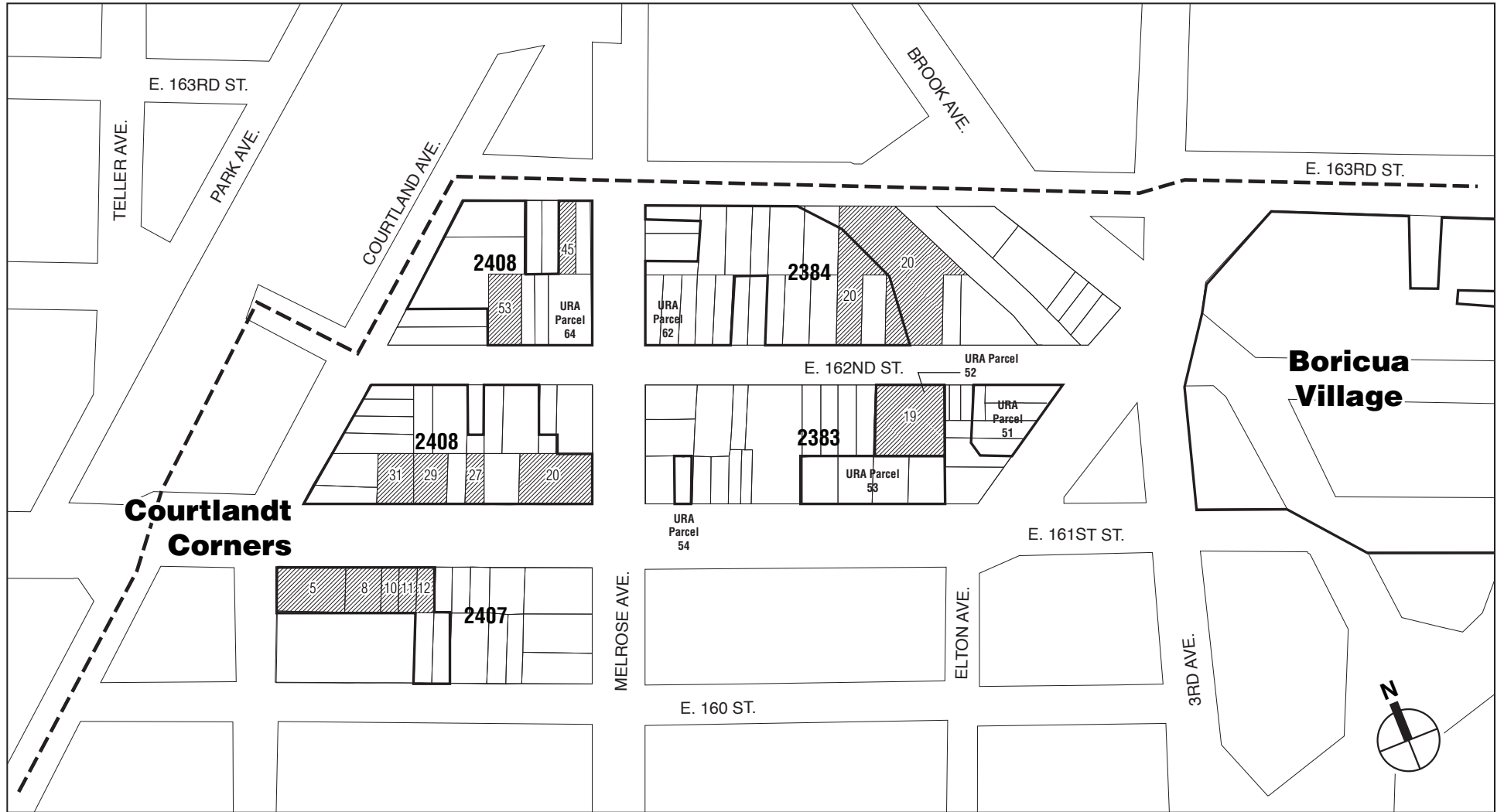
In anticipation of development under the proposed and future actions, Phipps Houses recently vacated a residential building located on the Courtlandt Corners project site (900 Courtlandt Avenue). The building contained approximately seven occupied dwelling units. Prior to their displacement, all of the tenants of 900 Courtlandt Avenue were offered relocation assistance, and all but one tenant accepted a relocation offering.

Apart from the displacement that has already occurred within 900 Courtlandt Avenue, the proposed and future actions would not result in any additional direct residential displacement. The residents who were displaced from 900 Courtlandt Avenue did not represent a sizable portion of the population in the study area (generally interpreted to mean greater than 5 percent). Given that the population and the number of units that were displaced were not substantial, the residential displacement precipitated by the proposed and future actions did not significantly change the socioeconomic profile or housing character of the area, and an assessment of direct residential displacement is not warranted.

### **DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT**

Though there would be no direct institutional displacement, the proposed and future actions would directly displace six businesses located in the Urban Renewal Area (URA) that collectively employ an estimated 43 workers. As shown in Figure 3-2, direct business displacement would occur on URA site 46 (on the south side of East 161st Street at Courtlandt Avenue), site 52 (on the south side of East 162nd Street between Melrose and Elton Avenues), site 56 (bounded by East 161st Street and 162nd Streets, and Melrose and Courtlandt Avenues), site 62 (bounded by East 162nd Street, East 163rd Street, and Melrose Avenue), and site 64 (bounded by East 162nd and East 163rd Streets, and Melrose and Courtlandt Avenues).

As detailed in Table 3-1, the six affected businesses provide various retail or wholesale products or services, and include a used-car dealer and auto repair, a building supply company, a gas station and auto repair, a heating and refrigeration wholesaler, a metal fabricator, and a boiler repair business. One of the six businesses being displaced, Atwater Building Supply, resides on Block 2408, Lots 27 and 29, on the site planned for the Cortlandt Corner North development (see Figure 3-2); however, they have additional office and storage space directly across East 161st Street, on a lot not planned for redevelopment. This displacement analysis conservatively assumes that the entire business and its employees would be displaced because, absent the availability of a comparable lot nearby, it is unlikely that the portion of the business not displaced would be able to remain open at its current location.



- Proposed URA Development Site
- Melrose Commons Urban Renewal Area Boundary
- Directly Displaced Business
- 2407** Census Tract Block Number
- 10 Lot Number

0 200 FEET  
SCALE

**Table 3-1**  
**Direct Business Displacement**

Name of Business	Address / Block and Lot Number / URA Site Number	Description of Business	Economic Sector <sup>1</sup>	Estimated Number of Employees <sup>2</sup>
G&A Auto Repair & "Used Car Dealer Broker"	364 E. 161st St. Block 2407; Lots 5, 8, 10, 11, 12 URA Site 46	Used Car Dealer and Auto Repair	Other Services and Retail Trade	12
Atwater Building Supply & Concrete Corp.	382 E 161st St. Block 2408, Lots 27, 29 URA Site 56	Building Supply	Retail Trade	6
Getty	895 Melrose Ave. Block 2408, Lot 20 URA Site 56	Gas Station and Auto Repair	Retail Trade	8
Blasco Supply	440 E 162nd St. Block 2383, Lot 19; Block 2384 Lot 20 URA Sites 52 and 62	Refrigeration, Air Conditioning, Heating parts and equipment	Wholesale Trade	12
Joseph Gates & Iron Works Corp.	386 E 163rd St. Block 2408, Lots 45, 46 URA Site 64	Metal fabrication	Retail Trade	4
Mack Boiler Repair	381 E 162nd St. Block 2408, Lot 53	Boiler Repair	Other Services	1
<b>Notes:</b> <sup>1</sup> "Economic Sector" is determined according to the North American Industrial Classification System (NAICS), as defined by the United States Department of Labor. <sup>2</sup> Employee counts were estimated during site visits and were not confirmed by business owners. <b>Sources:</b> U.S. Department of Labor, Site visits				

### CEQR ASSESSMENT CRITERIA

The preliminary assessment of direct business and institutional displacement examines the employment and business value characteristics of the affected businesses to determine the significance of the potential displacement. According to the *CEQR Technical Manual*, the following circumstances (listed in italics below) are considered to determine the potential for significant adverse impacts. Following each circumstance, the proposed and future actions are analyzed according to these criteria.

*(1) If the businesses and institutions in question have a substantial economic value to the city or region, and can only be relocated with great difficulty or not at all.*

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

Table 3-1 shows that the six businesses which would be displaced by the proposed and future actions include a used-car dealer and auto repair, a building supply company, a gas station and auto repair, a heating and refrigeration wholesaler, a metal fabricator, and a boiler repair

business. These businesses' products or services are not unique to the city or regional economy, and customer needs would be satisfied at other nearby locations in the study area or in the South Bronx region. As noted in Chapter 2, "Land Use, Zoning, and Public Policy," auto repair shops have a notable presence in the Morrisania neighborhood directly north of the URA, such as on Webster Avenue between 165th and 168th Streets, where numerous independent auto-related businesses and repair shops line both sides of the street. There are two gas stations in the northern section of the URA, each within one block of the project sites ("BP" at 163rd Street and 3rd Avenue, and another at 161st Street and Melrose Avenue). The second is directly across the street from a Getty gas station. Additionally, there are other metal fabricators, building supply companies, and air conditioning and heating equipment companies in the South Bronx. Therefore, neither the products and services offered by the businesses on the project site nor the potential effect of their displacement on local businesses and consumers would classify them as having substantial economic value.

*(2) If a category of businesses is the subject of other regulations or publicly adopted plans to preserve, enhance, or otherwise protect it.*

None of the displaced businesses are subject to any regulations or protected by any publicly adopted plans encouraging or preserving their existence.

*(3) If the business or institution defines or contributes substantially to a defining element of neighborhood character (or a substantial number of businesses or employees would be displaced that collectively define the character of the neighborhood).*

According to the *CEQR Technical Manual*, neighborhood character is defined by land use, urban design, visual resources, historic resources, socioeconomics, traffic, or noise that gives a neighborhood a distinct "personality." The Melrose Commons URA is characterized by a mix of residential buildings, industrial uses, vacant lots, vacant buildings, community gardens, institutional uses (such as churches and police facilities), and neighborhood-oriented retail uses. The ½-mile study area is similarly mixed-use, with a variety of residential, commercial, industrial, and institutional activity, including a notable presence of medical facilities, government buildings, and retail shopping, as discussed in Chapter 2, "Land Use, Zoning, and Public Policy." The retail, service, and wholesale trade businesses being displaced, though common types of businesses in the study area, do not individually or collectively define or contribute substantially to a defining element of neighborhood character. In turn, the proposed uses would continue to support the area's mixed-use character by adding additional residential, ground-floor retail, and institutional uses to the neighborhood.

### **INDIRECT RESIDENTIAL DISPLACEMENT**

In most cases indirect residential displacement is caused by increases in property values generated by an action, which then results in higher rents in the area, making it difficult for some existing residents to remain in their homes. According to Section 322.1 of the *CEQR Technical Manual*, the direct effects of an action that can lead to such indirect changes are as follows (numbered in italics below):

(1) It would add substantial new population with different socioeconomic characteristics compared to the size and character of the existing population.

As shown in Table 3-2, in 2000 the ½-mile study area had approximately 95,000 residents and almost 33,000 households. The median household income within the ½-mile study area in 1999 was just over \$20,000 per year—notably less than the Bronx (\$27,611) and New York City as a whole (\$38,293). In addition, almost 40 percent of the ½-mile study area population was living below the poverty level in 2000, substantially higher than that of the Bronx (31 percent) and New York City (21 percent).

**Table 3-2**  
**2000 Demographic Characteristics of ½-Mile Study Area**

Study Area	Total Pop	Housing Units	Income Profile		
			Number of Households	1999 Median Household Income	Poverty Status in 1999
1/2-Mile Study Area	94,884	34,985	32,784	\$ 20,238	39.0%
The Bronx	1,332,650	490,659	463,212	\$ 27,611	30.7%
New York City	8,008,278	3,200,912	3,021,588	\$ 38,293	21.2%
<b>Sources:</b> US Census Bureau, Census 2000, Summary File 1 and Summary File 3.					

Table 3-3 displays household income distribution in 2000 for the ½-mile study area. Overall, there was a higher proportion of lower income households within the study area compared to those in the Bronx and New York City.

**Table 3-3**  
**Household Income Distribution**

Income Ranges	½-Mile Study Area		Bronx		New York City	
	Population	Percent of Total	Population	Percent of Total	Population	Percent of Total
Less than \$10,000	10,243	31.0%	109,177	23.6%	485,306	16.1%
\$10,000 to \$19,999	6,342	19.2%	71,885	15.5%	390,788	12.9%
\$20,000 to \$34,999	7,153	21.7%	92,949	20.1%	524,823	17.4%
\$35,000 to \$49,999	3,807	11.5%	65,028	14.0%	430,297	14.2%
\$50,000 to \$74,999	3,283	9.9%	65,911	14.2%	503,722	16.7%
\$75,000 and up	2,177	6.6%	58,292	12.6%	687,541	22.7%
<b>Sources:</b> US Census Bureau, Census 2000, Summary File 3.						

Since 2000, there has been a substantial amount of residential development within the study area. Table 3-4 shows new residential developments in the Melrose Commons URA that have been completed since 2000 or projects that are currently under construction. Based on these known projects within the Melrose Commons URA, there are at least 582 new residential units in the study area and 1,181 units under construction that would be available by the proposed and future actions' build year of 2009. Assuming that the new units have an occupancy rate similar to that of the study area in 2000 (93.7 percent occupied), approximately 545 of the 582 of the already-built units and 1,106 of the planned units would be occupied by 2009. Assuming the study area's 2000 average household size (2.9 persons per household), the projects listed in Table 3-4 would house almost 4,800 new residents in the study area by 2009.

**Table 3-4**

**Major Projects Completed and Under Construction in the Melrose Commons Urban  
Renewal Area**

Project Name	Location	Total Units	Income Ranges	Comments
<b>Occupied Projects</b>				
Melrose Villa Hermosa	Melrose Avenue between 159th Street and 160th Street	80	\$17,550 - \$20,100	Completed & occupied. Housing for Low Income Seniors
La Puerta de Vitalidad	Third Avenue between 158th Street and 159th Street	60	Low-Income: \$19,650-\$27,000-1BR; \$25,300-\$30,360-2BR; \$28,000-\$36,420-3BR. Homeless: \$PA-\$27,000-1BR; \$PA-\$30,360-2BR; \$PA-\$36,420-3BR	Completed & occupied
Plaza de Los Angeles	Elton Avenue between 156th Street and 159th Street	105	\$47,053 - \$55,455	Completed & occupied
Sunflowerway I	158th and 159th Streets between Melrose and Elton Avenues	90	\$47,053 - \$55,455	Completed & occupied
Sunflowerway II	157th and 158th Street between Melrose and Courtlandt Avenues	123	\$47,053 - \$55,455	Completed & occupied
Palacio del Sol	Melrose Avenue between 156th Street and 157th Street	124	\$22,000 - \$43,680	Completed & occupied
<b>Unoccupied Projects</b>				
La Casa de Felicidad	Third Avenue between 157th Street and 158th Street	85	\$20,700 - \$23,650	Occupancy expected Sept. 2006. Housing for Low Income Seniors
Peter Cintron Apartments	Melrose Avenue between 157th Street and 158th Street	165	\$20,000 - \$34,540	Occupancy Expected June 2006
Cornerstone Site A	Third Avenue between 159th and 160th Streets	91	To be Determined by Lender	Expected Jan. 2008 Occupancy
Cornerstone Site B	Third Avenue and 158th Street	154	To be Determined by Lender	Occupancy Expected Dec. 2009
Cornerstone Site C	Third Avenue and Brook Avenue between 156th and 157th Streets	77	To be Determined by Lender	Occupancy Expected Jan. 2008
Cornerstone Site D	Third Avenue and 156th Street	58	To be Determined by Lender	Occupancy Expected Jan. 2008
Cortlandt Avenue Apartments	158th and 159th Streets between Courtlandt and Park Avenues	167	60% of area median income or below	Occupancy Expected Sept. 2006
New Foundations Procida	159th and 160th Streets between Melrose and Courtlandt Avenue	30	No Income Limits	Occupancy Expected Dec. 2006
New Foundations I Poko	Courtlandt and Park Avenues between 159th and 160th Streets	30	No Income Limits	Occupancy Expected Dec. 2006
New Foundations II Poko	Corner of Elton Avenue and 159th Street	60	No Income Limits	Occupancy Expected Jan. 2008
Jasper Hall	Corner of Melrose Avenue and 160th Street	54	60% AMI for 1-4 person households. \$26,376-O-BR; \$33,912 2-BR	Occupancy Expected June 2007
Parkview Commons I	160th and 161st Streets between Melrose and Elton	110	\$22,000 - \$43,680	Occupancy Expected Dec. 2006
Parkview Commons II	160th and 161st Streets between Melrose and Elton	88	\$21,189 - \$37,680	Occupancy Expected Sept. 2007
Parkview Commons III	160th and 161st Streets between Melrose and Elton	12	maximum income \$81,640 (130% AMI)	Occupancy Expected Sept 2007
<b>Source:</b> NYC Department of Housing Preservation and Development				



Table 3-4 also shows the income ranges for these new residential developments. Most of the newly constructed housing units require an income greater than that of the 2000 study area median household income of \$20,238. Since most of these units were completed after the 2000 Census, it is reasonable to assume that the median household income in the study area has already increased as a result of the population introduced by these new units.

The proposed development would add approximately 1,770 new residential units. Of those, 1,224 units would be built in the proposed Boricua Village and Courtlandt Corners projects, while the remaining 546 units would be part of the additional future development on other as yet un-programmed URA sites. Boricua Village would consist of up to 750 units and Courtlandt Corners could contain up to approximately 474 residential units. Approximately 35 percent of Boricua Village housing are expected to be low-income units and approximately 65 percent moderate- and middle-income units. Similarly, Courtlandt Corners would be composed of approximately 25 percent very low-income units, 50 percent low-income units, and 25 percent moderate-income units. For these projects, “very low-income” units are defined as 50 percent of area median income (AMI), “low-income” as 60 percent of AMI, “moderate-income” as 60 to 100 percent of AMI, and “high-income” as 100 to 130 percent of AMI. Given that the proposed development would contain “affordable” housing units with similar income requirements to those described in Table 3-4, the population introduced by the proposed and future actions would most closely mirror the population recently introduced to the study area.

The *CEQR Technical Manual* states that “if the proposed actions would increase the population in the study area by less than 5 percent, it would not be large enough to affect socioeconomic trends significantly.” In this case, the proposed development would add approximately 1,770 new housing units, which would represent an amount slightly below 5 percent of the total housing stock in the study area in 2000. Given the amount of residential development that has taken place since 2000, and the planned residential projects in the study area, the population introduced by the proposed and future actions would be well under 5 percent. Overall, this action would not add a substantial amount of new population with different socioeconomic characteristics, and therefore would not significantly affect socioeconomic trends in the area.

(2) *It would directly displace uses or properties that have had a “blighting” effect on property values in the area.*

The Melrose Commons URA, which is located at the center of the ½-mile study area, contains vacant lots that have been slated for development since the URP was adopted in 1994. The URP was created with the purpose of eliminating vacant and blighted lots in the neighborhood and maximizing appropriate land uses. The proposed and future actions are intended to facilitate the redevelopment of several remaining vacant and underutilized lots within the URA. However, while overall site conditions within the URA in 1994 may have had a blighting influence, the uses and properties that would be displaced by the proposed and future actions have not prevented new development from occurring within the immediate area, or within the study area more broadly. For example, a new strip mall was recently built directly north of the Boricua Village site on 163rd Street, between Washington and Third Avenues. In addition, as shown above in Table 3-4, there have been several major residential projects recently completed or planned for the URA. One such project is Parkview Commons, a complex with three components, including two apartment buildings with approximately 200 units, and three-family homes with 12 units. It will be located on the block bounded by East 161st Street, East 160th Street, Elton Avenue, and Melrose Avenue. Substantial amounts of new investment around the project sites indicate that the project sites do not currently have a blighting influence.

*(3) It would directly displace enough of one or more components of the population to alter the socioeconomic composition of the study area.*

As described under Direct Residential Displacement above, apart from the displacement that has already occurred within 900 Courtlandt Avenue, the proposed and future actions would not result in any additional direct residential displacement. The residents who were displaced from 900 Courtlandt Avenue did not represent a sizable portion of the population in the study area (generally interpreted to mean greater than 5 percent). Given that the population and the number of units displaced were not substantial, the residential displacement precipitated by the proposed and future actions did not significantly change the socioeconomic profile or housing character of the area.

*(4) It would introduce a substantial amount of a more costly type of housing compared to existing housing and housing expected to be built in the study area by the time the action is implemented.*

As previously discussed, the proposed and future actions would introduce a total of up to approximately 1,770 residential units into the ½-mile study area. Of those units, 1,224 would be built as part of the proposed Boricua Village and future Courtlandt Corners projects (Boricua Village would consist of approximately 750 units, and Courtlandt Corners could contain up to approximately 474 residential units). The remaining 546 units would be part of additional future development.

The residential component of Boricua Village is expected to contain approximately 35 percent low-income units and 65 percent moderate- and middle-income units. Similarly, Courtlandt Corners would be composed of approximately 25 percent very low-income units, 50 percent low-income units and 25 percent moderate-income units. It is expected that the additional units on development sites not yet programmed would have a similar mix of income levels. Given that a majority of the new units would be rented to households at or below AMI, it is reasonable to conclude that the proposed housing would not be more costly compared to rental rates for existing housing in the study area.

This conclusion is further substantiated by recent housing trends in the study area. According to Census data, median contract rent in the study area increased by almost 12 percent between 1990 and 2000, from \$412 in 1990 to \$460 in 2000. In addition, the affordable units would rent at costs comparable to those currently being built in the neighborhood. As shown earlier in Table 3-4, there has been a lot of new construction occurring in the study area, which has increased the number of housing units, especially “affordable units.” Much of the newly constructed residential development follows affordability guidelines similar to that of the proposed development. Therefore, the proposed and future actions would not add more costly types of housing compared to the existing housing and housing expected to be built in the study area by the time the actions are implemented. The proposed and future actions would be consistent with recent development trends of providing a mix of affordable and market rate housing in an area.

Under CEQR, populations potentially vulnerable to secondary displacement pressure are generally defined as those with low- and moderate-incomes and living in buildings not protected by rent control, rent stabilization, or other publicly-assisted housing programs.

**Table 3-5**

**Median Contract Rent and Median Housing Value in the ½-Mile Study Area**

	1990	2000	Percent Change
Median Contract Rent	\$412 <sup>1</sup>	\$460	11.6%
Median Housing Value	N/A <sup>2</sup>	\$88,650	N/A
<b>Notes:</b> <sup>1</sup> Value presented in year 2000 dollars <sup>2</sup> The 1990 median home value is not reported because the 1990 value is based on "specific owner occupied housing units" only, while the 2000 median was based on all-owner occupied housing units. The two data sets are not comparable. <b>Sources:</b> US Census Bureau, 1990 and 2000 Census, Summary File and Summary File 3			

Year 2000 data for the study area shows that 2,347 units in the study area are located in buildings defined as unprotected (i.e., rental buildings with five or fewer units).<sup>1</sup> The unprotected units make up approximately 7 percent of the total housing stock in the study area (34,985 units). Because these units represent such a small percentage of the housing stock, and since the housing introduced by the proposed development would not be a substantial amount of a more costly type of housing, the proposed and future actions would not result in significant adverse impacts due to indirect residential displacement.

*(5) It would introduce a "critical mass" of non-residential uses such that the surrounding area becomes more attractive as a residential neighborhood complex.*

The non-residential uses introduced by the proposed and future actions would include approximately 78,000 gsf of retail space and 120,000 gsf of community facility floor area located within the Courtlandt Corners and Boricua Village developments. In addition to these uses, 21,900 sf of retail floor area and 20,000 sf of community facility space are projected to be added within the URA under the proposed and future actions to help accommodate the new residential tenants in the neighborhood.

The Boricua Village development would include up to 50,000 sf of neighborhood retail and a 120,000 square-foot campus of Boricua College, a community college with three other locations in Manhattan and Brooklyn. The college, which is an institutional use, would be a small addition to the almost 10 million gsf of institutional uses<sup>2</sup> located within the ½-mile study area, most notably the government complex and court houses west of the URA on 161st Street. The proposed Boricua College Campus is expected to attract 1,800 students and employ 320 faculty members. While a few of these students and faculty may decide to move into the study area, the majority of the people frequenting the campus will already live within the New York metropolitan area and would not be looking for new housing. If this were a major university, drawing its student population from all over the country or the world, there would be a greater possibility that people would move to the New York area specifically for school, and those students would be more likely to settle in a close proximity to the university or college. However, since Boricua College is a community college and would attract primarily local

<sup>1</sup> Census 2000 data on buildings with one to four units were used to determine the location of unprotected buildings within the study area. The number of buildings with five units in the study area was determined using Department of Finance RPAD data. Buildings with more than five units built after 1974 are not included in this analysis because information on age of building by income and building size is not available in the Census.

<sup>2</sup> Estimate based on Department of Finance 2003 RPAD data.

## Melrose Commons

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residents and commuters from nearby locations, it would not introduce a substantial new demand for housing from students and faculty.

The retail uses planned as part of the Boricua Village development would provide goods and services to the students and faculty, as well as the existing and new residents of the area. Similarly, Courtlandt Corners' 28,000 sf of retail space would be neighborhood oriented and would serve the existing residential population as well as the new populations introduced by the proposed and future actions.

The study area has a well-established retail presence such that the proposed retail would not significantly affect the desirability of the neighborhood. The retail-trade sector within the ½-mile study area is fairly large and employs over 2,000 people, as seen in Table 3-6 in the Indirect Business and Institutional Displacement section. The study area includes "The Hub," one of the largest retail destinations in New York City. Centered at the intersection of Third Avenue, East 149th Street, and Melrose Avenue, The Hub is both a retail shopping destination and a major transportation center. With such a large number of neighborhood and shopping-goods stores located at The Hub, the proposed retail uses in the project area would not have a significant impact on the surrounding areas. These retail uses, individually and collectively, would not introduce a critical mass of retail such that the surrounding area becomes more attractive as a residential neighborhood.

*(6) It would introduce a land use that could have a similar indirect effect 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 and future actions would not offset positive trends in the area, impede efforts to attract investment to the area, or create a climate for disinvestment. To the contrary, the proposed development projects would provide needed housing, particularly low- and moderate-income units, as well as neighborhood retail and community facility space, in a neighborhood with growing demands for such amenities.

Based on the above analysis, a detailed analysis of indirect residential displacement impacts is not required.

## INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

According to Section 332.2 of the *CEQR Technical Manual*, in most cases, the issue for indirect displacement of businesses and institutions is that an action would increase property values and thus increase rents throughout the study area, making it difficult for some categories of businesses to remain in the area. An action can lead to such indirect changes if they apply to the circumstances listed in italics below. Following each circumstance, the proposed and future actions are analyzed according to these criteria.

*(1) If the action introduces enough of a new economic activity to alter existing economic patterns;*

The proposed and future actions would not introduce a new type of economic activity to the area. Expected development resulting from the proposed and future actions includes 1,770 residential units, 99,900 sf of ground-floor retail space, 120,000 sf for a college campus, and an additional 20,000 sf of community facility space. Currently, residential, retail, and institutional uses are already a significant presence in the study area, with 33 percent of the land in the study

area devoted to residential uses, 6 percent for commercial, and 16 percent devoted to institutional uses, including over 4 million sf of building space occupied by educational facilities.<sup>1</sup> Ground floor retail use, accounting for over 2.5 million sf of building space in the study area, is similarly common in the URA, with strips like Melrose Avenue between East 161st and East 156th Streets providing convenience goods and neighborhood services to the local residential population. Therefore, the proposed residential, retail, and institutional development serves to reinforce existing land uses and would not alter existing economic patterns.

*(2) If the action adds to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to alter existing economic patterns;*

As shown in Table 3-6, the study area demonstrates a particularly strong concentration of employment in the Educational, Health, and Social Services industries, boasting 41.7 percent of area employment. This concentration is similar to the Bronx as a whole (43.1 percent) and greater than that of New York City (22.3 percent). The Public Administration sector, accounting for 16.6 percent of area employment, is also more highly concentrated relative to the Bronx (6.1 percent) and New York City (5.1 percent). The Retail Trade industry, while showing the third highest employment within the study area at 7.1 percent, is roughly the same as the surrounding region's retail concentration, with the Bronx at 8.7 percent and New York City at 8.2 percent.

The proposed development of 140,000 sf of community facility space would contribute approximately 364 employees to the local Educational, Health, and Social Services sectors, adding slightly to the existing concentration in this economic sector.<sup>1</sup> These new employees would account for only 2.8 percent of the sector's employment within the study area, however, and would, therefore, not significantly alter existing area employment patterns.

The proposed development of up to 99,900 sf of ground floor retail space is estimated to create 300 jobs in the Retail Trade sector. Conservatively assuming the study area gains no other additional employment, this new retail employment may increase the study area's Retail Trade concentration to 8.1 percent, which would put employment concentration on par with that of New York City as a whole (8.2 percent), and would not significantly alter existing area employment patterns.

The approximately 43 employees that would be displaced by the proposed and future actions represent a small proportion study area employment. As shown in Table 3-6, there were approximately 30,016 employees working in the study area in 2000, of which 2,144 worked in the Retail Trade sector, 550 in Wholesale Trade, and 1,849 worked in Other Services. The 43 displaced jobs would represent only 0.14 percent of total study area employment, 1.1 percent of Retail Trade employment, 2.2 percent of Wholesale Trade employment, and 0.38 percent of Other Services employment within the study area. These small employment losses in economic sectors that currently maintain high shares of the area's employment will not change sector concentration significantly enough to alter existing economic patterns.

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<sup>1</sup> Department of Finance 2003 RPAD data.

<sup>1</sup> Assumes 320 college employees, as estimated by Atlantic Development Group, in addition to 44 new employees as part of the 20,000 sf of community facility space planned for future development within the URA, assuming 1 employee per 450 sf of community facility space.

**Table 3-6**

**Employment by Industry (2000) for Study Area, Bronx, and New York City**

Industry	Study Area		Bronx		New York City	
	Number of Employees	Percent of Total	Number of Employees	Percent of Total	Number of Employees	Percent of Total
Agriculture, forestry, fishing and hunting and mining	60	0.2%	410	0.1%	2,190	0.1%
Construction	1,155	3.8%	14,435	5.1%	171,880	4.6%
Manufacturing	958	3.2%	12,205	4.3%	226,420	6.0%
Wholesale trade	550	1.8%	9,585	3.4%	119,075	3.2%
Retail trade	2,144	7.1%	24,500	8.7%	306,865	8.2%
Transportation and warehousing and utilities	1,279	4.3%	16,995	6.0%	248,485	6.6%
Information	276	0.9%	5,720	2.0%	219,010	5.8%
Finance, insurance, real estate and rental and leasing	1,358	4.5%	14,635	5.2%	488,170	13.0%
Professional, scientific, management, administrative, and waste management services	1,814	6.0%	12,910	4.6%	475,170	12.7%
Educational, health and social services	12,535	41.8%	121,330	43.2%	838,210	22.3%
Arts, entertainment, recreation, accommodation and food services	1,013	3.4%	14,430	5.1%	276,230	7.4%
Other services (except public administration)	1,849	6.2%	16,340	5.8%	189,985	5.1%
Public administration	4,975	16.6%	17,140	6.1%	191,285	5.1%
Armed forces	50	0.2%	300	0.1%	2,150	0.1%
<b>Total</b>	<b>30,016</b>	<b>100.0%</b>	<b>280,935</b>	<b>100.0%</b>	<b>3,755,125</b>	<b>100.0%</b>
<b>Notes:</b> Census Tract 145 was included in the Employment Study Area because, although the tract is less than 50% within the study area boundaries and therefore not used in the official Study Area, the portion within the 1/2-mile radius of the URA includes many commercial, institutional, and industrial land uses that likely contain a significant number of jobs.						
<b>Sources:</b> U.S. Census 2000 Journey to Work data set						

The introduction of 2,164 new students and faculty commuting to and from Boricua Village, in addition the construction of up to 750 new residential units, may have a limited, localized impact on retail uses on Block 2367, Lot 25, and directly across the street from Boricua Village, in particular along Third Avenue between East 163rd Street and St. Ann's Avenue. For example, there are two auto parts stores within this two-block stretch, which could be indirectly displaced by businesses selling goods more oriented towards the local residential and student populations. Additionally, increased foot traffic in this area may cause minor rises in commercial rents; although, for businesses catering to this new population, like some of the restaurants along this strip, increased rents would likely be offset by increased sales.

*(3) If the action directly displace uses or properties that have had a "blighting" effect on commercial property values in the area, leading to rises in commercial rents;*

The proposed and future actions would not displace uses that have had a "blighting" effect on the neighborhood. Development nearby within the URA has proceeded rapidly in recent years,

with 1,726 residential units having been constructed or planned for construction since 1994. Additionally, although the future Boricua Village development site is largely vacant, a new strip mall was recently built directly north of the site on East 163rd Street between Washington and Third Avenues, indicating that the development site is not suppressing the economic development of surrounding properties.

*(4) If the action directly displaces 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;*

The proposed and future actions would directly displace six businesses engaged in retail, service, and wholesale trade activities. As discussed earlier, other local businesses or individual customers currently using the products or services of these displaced businesses would be able to meet their needs elsewhere within the URA, study area, or South Bronx region. These businesses are not of a unique or specialized nature such that they are attracting customers from outside the South Bronx who are then, in turn, becoming customers for other local businesses. Nor are they the types of businesses that would be purchasing a significant amount of supplies from local merchants. Therefore, the proposed and future actions would not displace uses that significantly support area businesses, that bring people to the area, or that form a customer base for other local businesses.

*(5) If the action directly or indirectly displaces residents, workers, or visitors who form the customer base of existing businesses in the area;*

The proposed and future actions would not cause significant indirect or direct displacement of residents, workers, or visitors that form the customer base of existing local businesses. To the contrary, the new projects are estimated to add approximately 600 new employees, 1,800 students, and 1,770 new residential units to the area, thereby helping to expand the customer base for local businesses.<sup>1</sup> The 43 displaced retail, wholesale, and service workers account for less than 0.2 percent of study area employment. They do not make up a substantial share of the customer base for existing businesses, and any indirect displacement of workers at retail uses along Third Avenue across from Boricua Village would be replaced by a similar number of workers at the new retail businesses.

*(6) If the action introduces a land use that could have a similar indirect effect, through the lowering of property values if it is large enough or combines with other like uses to offset positive trends in the study area, impede efforts to attract investment to the area, or create a climate for disinvestment.*

Development resulting from the proposed and future actions would not offset positive trends in the study area, impede efforts to attract investment, or create a climate for disinvestment. Instead, the proposed mixed-use development would further the URA goals, stated in Chapter 2, “Land Use, Zoning, and Public Policy,” of replacing vacant land with new residential, commercial, and community facility uses. The proposed development would add a net 48,706 sf of retail uses, which would provide employment opportunities for local residents. Similarly, the new 120,000 square-foot Boricua college campus, 20,000 sf of community services use, and 1,770 residential units would add new employees, students, and residents to the area, many of

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<sup>1</sup> Employment estimate assumes industry standard of 1 employee per 400 sf of neighborhood retail space (237 employees) and 1 employee per 450 sf of community facility space (44 employees), as well as, Atlantic Development Groups’s estimated 320 college employees.

whom would shop at existing commercial stores and may attract new investment from businesses hoping to capture the additional consumer demands.

**EFFECTS ON A SPECIFIC INDUSTRY**

The proposed and future actions would not have an adverse effect on a specific industry. According to Section 323 of the *CEQR Technical Manual*, an adverse impact may occur when an action significantly affects business conditions in any industry or category of businesses within or outside the study area, or it indirectly substantially reduces employment or impairs the economic viability in the industry or category of business. The proposed and future actions would have neither of these effects, as the six displaced retail, service, and wholesale trade businesses are not critical to any industry or category of business. Therefore, the proposed and future actions would not result in significant adverse impacts on specific industries. \*