

B. Socioeconomic Conditions

Socioeconomic impacts may occur when an action would directly or indirectly change population, housing stock, or economic activities in an area. In some cases, these changes can be substantial but not adverse. In other cases, these changes may be beneficial to some groups and adverse to others. The purpose of a socioeconomic assessment is to disclose changes that would be created by the action and identify whether they rise to the level of significance.

100. Definitions

The socioeconomic character of an area is defined in terms of its *population and housing* and its *economic activities*. The assessment of socioeconomic conditions usually distinguishes between the socioeconomic conditions of area residents and socioeconomic conditions of area businesses. However, actions affect either or both of these segments in the same ways: they may directly displace residents or businesses; or they may alter one or more of the underlying forces that shape socioeconomic conditions in an area and thus indirectly displace residents or businesses. The elements of the two basic subareas included in socioeconomic conditions and the processes that change them are described in Sections 110, 120, and 130 below.

Although socioeconomic changes in and of themselves may not result in impacts under CEQR, they are disclosed if those changes would affect land use and population patterns or community character. Usually, economic changes alone need not be assessed; however, in some cases their inclusion in CEQR review may be appropriate, particularly if a major industry would be affected or if an objective of an action is to create economic change. These types of assessment are also defined below in Section 140.

110. POPULATION AND HOUSING

Population and housing assessments focus on the residents of an area and their housing conditions. Depending on the type of action and the area that could be affected, a profile of residential population would include some or all of the following characteristics: total numbers, sex, age, family status, household size, income, poverty status, education, occupation, car ownership, place of work, and mode of work-trip travel.

The housing profile typically characterizes the type and condition of the housing stock, units per structure, owner-occupied or rental, vacancy rates, and housing costs and values. Housing can also be characterized as associated with the income level of its occupants (e.g., low-, moderate-, or high-income housing). As appropriate, Single Room Occupancy (SRO) units, group quarters, or shelters are also included. Regulations that protect tenants' continued occupancy and the availability of housing subsidies are identified and disclosed where residential displacement is a possibility.

120. ECONOMIC ACTIVITIES: BUSINESS AND EMPLOYMENT

Economic activities that characterize an area generally include the businesses and institutions operating there and the employment associated with these operations. Depending on the action in question, those people who are served by the businesses and institutions can also be considered in the assessment. Also, if there are groups of businesses that are dependent on the goods and services of businesses that are likely to be affected by the action, it may be appropriate to consider the effects to those businesses as well.

The businesses can be classified as commercial (including office-based services, retailing, transient hotels, and other business activities typically found in urban commercial districts) or industrial (including manufacturing, construction, wholesale trade, warehousing, transportation, communications, and public utilities—activities typically found in manufacturing districts). Institutions are also included in socioeconomic analyses, because often they employ large numbers of workers, support directly a number of related businesses, and bring to an area large numbers of their "clientele," such as students or medical patients and their families, who can form a customer base for local commercial businesses. Such institutions include schools, hospitals, community centers, government centers, and other like facilities with a charitable, governmental, public health, or educational purpose.

Specific industries or institutions within these broader groups may typify an area, such as the garment center in midtown Manhattan, the government and courts center in Downtown Brooklyn, or the concentration of hospitals and health care facilities in the east 60s in Manhattan.

130. DIRECT AND INDIRECT DISPLACEMENT

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

Indirect displacement (also known as secondary displacement) is the involuntary displacement of residents, businesses, or employees that results from a change in socioeconomic conditions created by the proposed action. Examples include: rising rents in an area that result from a new concentration of higher-income housing introduced by a proposed action and force out lower-income residents; a similar turnover of industrial to higher-paying commercial tenancies spurred by the introduction of a successful office project in the area; or the flight from a neighborhood that can occur if a proposed action creates conditions that break down the community (such as a highway dividing the area in two, etc.). The assessment of indirect displacement usually identifies the size and type of groups of residents, businesses, institutions, or employees affected. The assessment of indirect displacement assumes that the mechanisms for such displacement are legal.

140. INDUSTRY ASSESSMENTS

An action may not displace but may affect the operation of a major industry or commercial operation in the City. In these cases, the lead agency may choose to assess the economic impacts of the action on the industry in question.

200. Determining Whether a Socioeconomic Assessment is Appropriate

A socioeconomic assessment should be conducted if an action may be reasonably expected to create substantial socioeconomic changes within the area affected by the action that would not be expected to occur absent the action. The following are circumstances that would typically require a socioeconomic assessment:

- The action would directly displace residential population so that the socioeconomic profile of the neighborhood would be substantially altered.
- The action would directly displace substantial numbers of businesses or employees; or if it would directly displace a business or institution that is unusually important as follows: it has a critical social or economic role in the community and unusual difficulty in relocating successfully; it is of a type or in a location that makes it the subject of other regulations or publicly adopted plans aimed at its preservation; it serves a population uniquely dependent on its services in its present location; or it is particularly important to neighborhood character. If any of these possibilities cannot be ruled out, an assessment should be undertaken.
- The action would result in substantial new development that is markedly different from existing uses, development, and activities within the neighborhood. Such an action could lead to indirect displacement. Typically, projects that are small to moderate in size would not have significant socioeconomic effects unless they are likely to generate socioeconomic conditions that are very different from existing conditions in the area. Residential development of 200 units or less or commercial development of 200,000 square feet or less would typically not result in significant socioeconomic impacts.

SEQRA §617 contains certain thresholds for Type I actions that may be relevant in this context. SEQRA §617.4(b)(5) provides that construction of 2,500 new residential units to be connected (at the commencement of habitation) to existing community or public water and sewerage systems including sewage treatment works in a city having a population greater than 1,000,000 is a Type I action. (SEQRA includes lower thresholds for Type I actions for construction of residential facilities in cities, towns or villages having smaller populations.) If the 50 residential units are not to be connected (at the commencement of habitation) to existing community or public water and sewerage systems including sewage treatment works, then the Type I threshold is 50 units regardless of the population of the locality.

SEQRA §617.4(b)(6) provides that activities other than the construction of residential facilities

are Type I actions if they meet or exceed other specified thresholds. These thresholds include, in a city having a population of more than 150,000 persons, a facility with more than 240,000 square feet of gross floor area. (Again, SEQRA includes a lower threshold for Type I actions for activities other than the construction of residential facilities in localities with lesser populations.) SEQRA provides that the expansion of existing nonresidential facilities by more than 50 percent of the applicable threshold is a Type I action.

Executive Order 91 §6-15(a) sets forth additional Type I thresholds relating to major office centers. Any new office structure which has a minimum of 200,000 square feet of floor area and exceeds permitted floor area under existing zoning by more than 20 percent, or the expansion of an existing facility by more than 50 percent of floor area, where the total size of the expanded facility exceeds 240,000 square feet of floor area, is a Type I action.

- Notwithstanding the above, the action may affect conditions in the real estate market not only on the site anticipated to be developed, but in a larger area. When this possibility cannot be ruled out, an assessment may need to be undertaken to address indirect displacement. These actions can include those that would raise or lower property values in the surrounding area.
- If the action may adversely affect economic conditions in a specific industry. An example would be the proposal to increase the number of New York City taxi operating licenses. The CEQR review for that proposal addressed its potential impact on business conditions in the taxi industry.

300. Assessment Methods

The geographic area and socioeconomic conditions to be assessed and the methods and level of detail by which they are studied depend on the nature of the proposed action. Answering the questions posed in Section 200, above, will help the lead agency identify those issues of socioeconomic assessment that apply to the action under consideration. It may be that not all of the determinations in Section 200 are evident without some further study; in this case, a preliminary assessment (see Section 320, below) can be conducted, or it may be clear from the start that a proposed action will require

extensive socioeconomic analysis; in this case a preliminary assessment is not required and the lead agency can go directly to a detailed assessment. In either case, the assessment usually begins with selection of a study area. After the preliminary assessment or as a result of a detailed assessment the study area may be enlarged or diminished, but in most cases a geographic area of study is essential to begin work.

310. STUDY AREA DEFINITION

Typically, the socioeconomic study area boundaries are similar to those of the land use study area, as described in Chapter 3A, Land Use, Zoning and Public Policy, Section 310. It will encompass the project site and adjacent area within 400 feet, a quarter-mile, or a half-mile, depending on project size and area characteristics. When the data to be used include geographic units, such as census tracts or zip-code areas, it may be appropriate to adjust the study area to make its boundaries contiguous with those of the data sets.

Some actions may result in direct or indirect effects that are either beyond the half-mile boundary or are such that typical site-specific study areas are not appropriate. For example, a proposal for a retail use, if it is large enough, may change shopping patterns in a trade area that extends well beyond the typical half-mile. As an example, depending on the types of goods to be sold, the study area could comprise all shopping strips within a three-mile radius of the site. In short, there is no established "area" for all socioeconomic analyses. A study area(s) should be developed that reflects the areas likely to be affected by the action. Programmatic actions may result in socioeconomic changes that would affect numerous locations throughout the City. In these cases, multiple or prototypical study areas may be appropriate. Other programmatic actions, as in the taxi case described above, may affect the City as a whole.

320. PRELIMINARY ASSESSMENT

It may not be possible to make the determinations set forth in Section 200 without gathering some data and making at least a preliminary assessment. This task addresses those socioeconomic conditions that could be affected by the proposed action. For example, if an action may affect employment patterns, the preliminary assessment would focus a greater level of detail in describing and assessing economic activities and employment profile than other socioeconomic

components. The approach of the analyses presented below is to learn enough about the effects of the proposed action either to rule out the possibility of significant impact or to determine that more detailed analysis will be required to resolve the question. A list of data sources that may be useful in completing the assessment is available in Section 730.

321. Direct (or Primary) Displacement

In most cases, direct displacement would not constitute a significant adverse impact under CEQR. Nevertheless, it is still important to disclose the type and extent of such displacement.

321.1. Residential Displacement

Direct residential displacement is not in and of itself an impact under CEQR. Where a public agency is undertaking the action or where tenants are protected by rent control, rent stabilization, or other public programs, relocation benefits are available, and no significant adverse impact would occur. Impacts of residential displacement could 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 1950's, which eliminated a low-income neighborhood and replaced it with a more affluent population. The preliminary assessment therefore seeks to determine the socioeconomic profile of those residents who would be displaced and compare it to the profile of the affected area. It would compare and contrast the profile of the displaced residents with that of the study area population (see Section 110, above, for the factors that characterize a population and housing profile). Determine whether: 1) the profile of the displaced residents is similar or markedly different from that of the overall study area; 2) the displaced population represents a substantial or significant portion of the population within the study area; and 3) the action would result in a loss of this population group within the neighborhood. Sources of information to use in this assessment include the U.S. Census, *NYC Housing and Vacancy Survey*, newspaper advertisements for housing rentals and sales, and discussions with local realtors. This analysis typically distinguishes between renters and owner occupants and assesses the extent of government regulations and programs that afford renters some level of protection or assistance.

321.2. Business and Institutional Displacement

At a minimum, the type and extent of businesses and workers to be directly displaced by an action are disclosed, independent of whether there would or would not be a significant displacement impact. To determine the potential for significant displacement, the following circumstances are considered:

- If the business or institution in question has substantial economic value to the City or regional area and it can only be relocated with great difficulty or not at all.
- If a category of businesses or institutions is the subject of other regulations or publicly adopted plans to preserve, enhance, or otherwise protect it. An example would be an industry in Long Island City's In Place Industrial Park that is being replaced by a different use.
- If the business or institution defines or contributes substantially to a defining element of neighborhood character.
- If a substantial number of businesses or employees would be displaced that collectively define the character of the neighborhood. An example would be the electronic district in lower Manhattan that was displaced in the late 1960's by development of the World Trade Center.

The assessment of a business's economic value and relocation requirements considers: 1) its products and services; 2) its locational needs, particularly whether those needs can be satisfied at other locations; and 3) potential effects on business or consumers of losing the displaced business as a product or service. Using land use information (see Chapter 3A, Land Use, Zoning, and Public Policy, above), socioeconomic profiles, and other factors as described in Chapter 3H, Neighborhood Character, the displaced business(es) or institution(s) are assessed for their role in defining neighborhood character. Data regarding existing conditions can be obtained from both the State of New York Department of Labor and the Department of City Planning's Housing, Economic and Infrastructure Planning Division.

If none of the items listed above would occur, then there is no need for a detailed assessment. If

the answer to one or more of the questions is either "yes" or "possibly," then a detailed assessment is appropriate.

322. Indirect Displacement

322.1. Indirect Residential Displacement

In most cases, the issue for indirect displacement of residential population is that an action would increase property values and thus rents throughout the study area, making it difficult for some existing residents to afford their homes. The direct effects of the action that can lead to such indirect changes include the following:

- It would add substantial new population with different socioeconomic characteristics compared to the size and character of the existing population.
- It would directly displace uses or properties that have had a "blighting" effect on property values in the area.
- It would directly displace enough of one or more components of the population to alter the socioeconomic composition of the study area.
- 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.
- It would introduce a "critical mass" of non-residential uses (for example, a large office complex), such that the surrounding area becomes more attractive as a residential neighborhood complex.
- 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.

In all cases, the potential for indirect displacement depends not only on characteristics of the proposed action, but on the characteristics of the study area. Usually, the characteristics of the proposed action are clear; the objective of the preliminary assessment, then, is to gather enough information about conditions in the study area so

that the *relative* effect of the change can be better understood. Such information includes the following (information on population and housing can be obtained from the U.S. Census of Population and Housing, and other sources of information listed in Section 730):

- Total population and number of housing units in census tracts in the study area, so that the action's addition can be expressed as a percent increase over existing conditions.
- Median household income and other indicators of economic conditions of residents, such as percent of persons living below the poverty level, etc.
- Housing value and median contract rent, which can be compared to the levels expected to be introduced by the action.
- Vacancy rate, and percent of units that are renter-occupied.
- Presence of any unique or predominant population groups. Often, this information is evident from a windshield survey of the neighborhood. More precise data can be obtained by comparing the proportion of these groups to the proportion for the borough and the City as a whole.
- Presence of populations particularly vulnerable to economic changes. These typically low-income residents include occupants of lower-rent housing or single-room occupancy (SRO) units. For the preliminary assessment, census data on income and renters in structures containing fewer than six units can be used, supplemented with available information on land use, the presence of subsidized housing, and other factors. If the source of data indicates that these populations *may* be present, a detailed assessment may be required to confirm the situation (see Section 332.1, below).
- Development trends in the area. The ability of the action to influence development trends depends, in part, on the type and extent of the existing trends. A survey of the neighborhood will reveal the presence or absence of development or upgrading activities in the area. Discussions with Department of City Planning (DCP) borough office staff and real estate brokers in the area will help to identify both

specific projects already proposed and general trends. A comparison of recent census data with that from past decades can also be a good indication of trends.

If an examination of the characteristics of the proposed action compared with conditions in the study area clearly shows that the action's effects would not be significant in the context of existing conditions and future trends, then a detailed assessment is not required. If the significance of the action's effects is unclear after a preliminary assessment, then a more detailed assessment should be undertaken.

322.2. Indirect Business and Institutional Displacement

Like the analysis of direct displacement, the analysis of business and institutional indirect displacement includes only those businesses or institutions meeting the criteria set forth in Section 321.2, above. Such indirect displacement is typically only an issue if it affects land use or population patterns or community character. In most cases, the issue for indirect displacement of businesses or institutions is that an action would increase property values and thus 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:

- It introduces enough of a new economic activity to alter existing economic patterns. The example of an action that leads to a concentration of office use in a previously industrial area might, under appropriate conditions, cause indirect displacement of industrial businesses with office-related businesses in the surrounding area.
- It 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. Examples include the office concentration cited above, if it is not a new use, which would affect patterns in the surrounding area, or the addition of a regional supermarket to a shopping area that could alter regional shopping patterns as well as economic conditions in the surrounding area.
- It directly displaces uses or properties that have had a "blighting" effect on commercial property values in the area, leading to rises in commercial rents.

- It 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.
- It directly or indirectly displaces residents, workers, or visitors who form the customer base of existing businesses in the area.
- It introduces 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.

As with residential displacement, since the characteristics of the proposed action are usually known, the objective of the preliminary assessment is to characterize the area to be affected. Economic information is not as readily available as population and housing data, but some useful information can be gathered easily and is appropriate for preliminary analysis, as follows:

- *Conditions and trends in employment and businesses.* Such information is available for zip codes in the area from the New York State Department of Labor. Although a zip code area rarely conforms precisely to an action-specific socioeconomic study area, the information will allow for an understanding of the composition of businesses in the area, by type, and existing trends.
- *Physical and economic conditions.* It is also advisable to observe the area first-hand during the peak business times. The level of activity, condition of buildings, and presence (or absence) of vacant properties are all indicators of economic conditions. The size and type of existing buildings is also an indicator of the possibility for use change; for example, if existing industrial buildings are too small or awkwardly configured for office use, the possibility for indirect displacement of the businesses that occupy them are diminished.
- *Existing conditions and trends in real estate values and rents.* Discussions with real estate brokers in the area will help form an understanding of trends in commercial sales and rents in the area. Depending on the industry in question, trade journals also provide information on

conditions and trends. It can also be useful to check the commercial real estate section of local newspapers to gain an understanding of space availability and cost.

- *Zoning and other regulatory controls.* Information on zoning and public policy is readily available (see Chapter 3A, Section 730). It may be possible to rule out displacement if the surrounding area is protected through zoning regulation or other regulations and laws. An example is a proposed action that is large enough to induce new residential development, but is surrounded by zoning districts that do not permit residential use or do not permit it at the scale required for new investment.
- *Presence of categories of vulnerable businesses/institutions or employment.* It may be possible, through observation and discussions with brokers and other professionals, to identify categories of businesses, institutions, and types of employment in the area that are vulnerable to significant changes in real estate market conditions.
- *Land use and transportation service.* Observation of land uses and the street and transit systems in the area can reveal the relationships among the businesses and institutions in the area and other uses and systems that support them. For example, an action would result in development of a mixed-use, market-rate residential and retail project that can be expected to provide impetus for raising rents in the area. Observations reveal a sizable concentration of industrial buildings that are large enough for office use. However, if those buildings are not convenient to a subway, and the surrounding area does not offer the opportunity for development of support uses, there may not be a market for the space at the higher rent levels associated with office use.
- *Underlying conditions and trends in the City's economy.* Such information may be helpful in determining future changes with and without the proposed action.

Using the information cited above, it will be possible to better understand not only the potential for the proposed action to foster a change in socioeconomic conditions, but the potential for the surrounding or affected area to undergo such a change. If the preliminary assessment does not

clearly show that the potential for indirect displacement is insignificant or if it is not enough to clearly define the potential significant indirect displacement so that appropriate mitigation can be studied, a more detailed assessment is appropriate.

323. Adverse Effects on Specific Industries

It may be possible that a given action could affect the operation and viability of a specific industry, not necessarily tied to a specific location. An example would be new regulations that prohibit or restrict the use of certain processes that are critical to certain industries. If the following questions cannot be answered with a clear "no," then a detailed investigation is appropriate:

- Would the action significantly affect business conditions in any industry or any category of businesses within or outside the study area?
- Would the action indirectly substantially reduce employment or impair the economic viability in the industry or category of businesses?

330. DETAILED ANALYSIS TECHNIQUES

If it has been determined that a socioeconomic impact may be likely or cannot be ruled out based on the preliminary assessment, a detailed analysis is conducted. The analyses aim to describe existing and anticipated future conditions to a level necessary for an understanding of the relationship of the proposed action to such conditions, to assess the change that the action would have on these conditions, and to identify any changes that would be significant and potentially adverse. The discussions of information and analyses set forth below offer guidance, some or all of which will be useful for a range of actions. Since it is not possible to anticipate *all* actions that might affect socioeconomic conditions, it may be that some proposed actions require more or different information and analyses than are suggested here. In all cases, however, the analysis should allow the lead agency to understand the potential for and extent of a significant adverse impact to a level that will allow appropriate mitigation to be considered. If specific information is not available, it may be necessary to make assumptions. As described in Chapter 2, Establishing The Analysis Framework, these assumptions should reflect the worst case of the range of conditions that can *reasonably* be anticipated.

331. Direct Residential Displacement

Existing Conditions. The detailed assessment of residential displacement focuses on the socioeconomic profile of the residents that would be displaced as it relates to the population profile and patterns of the neighborhood. If the preliminary assessment (see 321.1, above) identifies (or cannot rule out) a potential problem, the detailed assessment is the next step in fully defining that problem. The following tasks may be appropriate:

- The first step is to rely on secondary data as available to determine the population profile of the residents to be displaced from the site(s). Primary data, including field visits and/or interviews, can be used to supplement secondary data in defining the displaced population. Population parameters to be considered typically include household size and income, and age. Other parameters may be used as appropriate if they are an important or common defining element of the population to be displaced.
- The next step is to define the population profile and patterns within the study area or neighborhood. This can be done by using U.S. Census data. The profile of the displaced population is compared to the neighborhood population profile. The distribution of each characteristic within the displaced population is compared to the distribution in the study area population. If the displaced population contains a disproportionate amount of one category of residents (for example, low-income households or elderly persons), the analysis examines whether the potential loss of these population segments would affect the basic mix throughout the study area. Using the example, if the low-income households to be displaced represent the majority of such households in the study area, a potential neighborhood character impact could occur if these households could not be relocated within the study area.
- Next, the prevailing trends in vacancies and rental and sale prices of units on-site and within the neighborhood are identified. This information serves three purposes: 1) to identify the potential for the types of residents to be displaced to be relocated within the study area; 2) to determine whether the type of housing to be displaced is a defining element

of neighborhood character; and 3) to ascertain whether the removal of the housing on-site could contribute to, accelerate, or create an indirect displacement trend. For example, if the housing to be directly displaced is of a type and cost that is limited in amount in the neighborhood, it is unlikely that the displaced tenants would be able to relocate in the study area. In this case, however, it is also unlikely that the housing to be displaced would constitute a defining element of neighborhood character or that its displacement would in itself accelerate or begin an indirect displacement trend. Sources for data on housing prices and trends include the U.S. Census of Population and Housing, real estate reference services, and local realtors.

Future No Action Condition. For the project's build year, assess conditions related to demographic characteristics of the study area or neighborhood. Relevant information might include: if the housing stock in the area is expected to expand or decrease; if the number of residents on the site is expected to increase or decrease; if rents are expected to increase or remain stable; if population and land use changes are expected; if any other relocation is anticipated; if the tenants' conditions would change (e.g., rent increases, family size increase). This information may be obtained through the interviews above, through interviews with real estate brokers or persons expert in local conditions, and through coordination with the land use analysis (see Chapter 3A, Section 320) and neighborhood character analysis (see Chapter 3H, Neighborhood Character, Section 320). The conclusions of the existing conditions analysis are then revised to include relevant information about the future no action condition.

Future Action Condition. The analysis of future action conditions considers the effects of the action in concert with no action trends and conditions. If it is determined from the preliminary or detailed assessment that the population to be displaced represents a sizable proportion of the future study area population (generally greater than 5 percent) and that a population with a similar profile would not be able to relocate within the neighborhood, then the issue of a potential change in neighborhood character is addressed as described in Chapter 3H. If the number of units to be displaced is substantial and the loss of the existing residential population or the types of units being demolished would result in a significant

change in the socioeconomic profile or housing character of the study area, a potential significant adverse impact may occur.

331.2. Direct Business and Institutional Displacement

Existing Conditions. Like residential displacement, the detailed assessment of direct business or institutional displacement focuses on the specific conditions that describe the businesses or institutions to be displaced and the characteristics of the study area related to the displacement. If the preliminary assessment (see 321.2, above) identifies (or cannot rule out) a potential concern, the detailed assessment is the next step in fully defining that issue. One or more of the following tasks may be appropriate:

- Describe the operational and financial characteristics of the business or institution to be displaced. Also describe the products, markets, and employment characteristics. Describe the effects of this business or institution on the City's economy. Information on retail sales can be obtained from the U.S. Department of Commerce, Census of Retail Trade, and County Business Patterns. Other sources of information can be obtained from the Department of City Planning's Housing, Economic and Infrastructure Planning Division or business libraries, such as the Brooklyn Business Library and the New York Public Library.
- Determine whether the business or institution to be displaced is a defining element of the character of the study area or neighborhood. For example, would the action displace a marina and ship repair yard that are central to the active waterfront that defines the character of the neighborhood?
- Determine whether the business or institution to be displaced has an important or substantial economic value to the City. Describe what economic value it has and the effects of its products and services. Describe locational needs, if any.
- Assess whether the business or institution would be able to relocate in the study area or elsewhere in the City. This assessment is based on a comparison of the products, services, and locational needs of the business

or institution with the consumer base and available properties in the study area.

Future No Action Condition. For the project's build year, assess conditions related to the site and the study area in the future. Relevant information may include: any changes in the uses on-site; if the available commercial or industrial space in the area is expected to expand or decrease; if rents are expected to increase or remain stable; if the tenants' conditions would change (e.g., rent increases, lease expiration, etc.). This information is obtained from persons expert in the local conditions, through interviews with real estate brokers, and through coordination with the land use analysis (see Chapter 3A, Section 320). The conclusions of the existing conditions analysis are then revised to include relevant information about the future no action condition.

Future Action Condition. Describe the likely effects on the businesses or institutions being displaced, and on the character of the study area, as relevant. This analysis is based largely on the analysis of existing conditions, adjusted to account for future trends that would occur absent the action. The identification of impacts depends on whether the business or institution is a defining element of neighborhood character, whether it is important to the City economy, and whether it could be relocated within the study area or elsewhere in the City. If the business or institution has been found to be defining and not likely to relocate in the study area, then an assessment of the effect of the loss on neighborhood character, particularly in terms of land use and population patterns, is performed (see also Chapter 3H, Neighborhood Character). If the business or institution could not be relocated within the City and it is important to the City's economy, there may be a significant adverse impact.

332. Indirect Displacement

332.1. Indirect Residential Displacement

The approach to the detailed assessment of indirect residential displacement is similar to that of the preliminary assessment (Section 322.1, above), but requires more in-depth analysis of census information and can include extensive field surveys, as well. The objective of the 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 effects of the proposed action on prevailing socioeconomic trends and, thus, its impact on the identified populations at risk.

Existing Conditions. Depending on the proposed action in question, characterizing existing conditions in a study area will include examination of census data and may require consideration of additional data sources, interviews, surveys, and fieldwork. A narrative is provided describing population characteristics and trends over time. Major indicators of growth and decline in the total population or specific age groups or other subcomponents are described, as appropriate. It is helpful to consider what statistical parameters are most appropriate in describing population characteristics. In some cases averages are more reflective of the population; in other cases a median is a better indicator. For example, the average household size in an area that contains a range of household sizes, with a few households that are substantially larger than the vast majority, would not appropriately describe the typical household. In this case, the median would be more useful in describing household size. In addition, it is often helpful to break down income levels into groupings that are commonly used in the City to define income levels. For example, the City has identified specific income levels for low, moderate, and middle income. These typically change annually based on inflation and other economic factors. The following is a reasonably comprehensive list of information that may be required for the analysis.

- *Population profile.* Two available sources of these data are the U.S. Census and NYC *Housing and Vacancy Survey*:
 1. Total population by census tract, for the study area, for the borough, and for the City. To understand trends, it is useful to include data from the most recent census and from the previous decade. If there is reason to believe that longer-term trends should be assessed, then the data from the most recent census and the previous two decades can be presented.
 2. Household information (total households, household size, individuals) by census tract, study area, borough, and City.
 3. Age. The median age and age groupings in an area may be useful in defining the population profile.
 4. Economic status. Income and poverty status, in combination with other

characteristics and trends noted in items 1-3, above, may help to define vulnerable populations. It may be helpful to examine median household income, the distribution of income (e.g., do all households have incomes close to the median or are there sizable segments with incomes much lower or much higher than the median), and proportion of individuals living below the poverty level.

5. Labor force characteristics are typically not necessary, but may be used as appropriate. Available information includes the percentage of the population in the labor force, workers per household, and occupation. This information may be useful to further characterize the population, particularly if the area shows an increase in working-age people or if an examination of economic status indicates that unemployment may be high. Occupation may also identify residents who may work in the area.

- *Housing profile.* These data are found in the U.S. Census, in DCP's MISLAND files, from agencies owning or operating housing in the area, and through survey, as indicated below:

1. Housing units. The U.S. Census provides information on numbers of housing units, their size, occupancy (by renters or owners), and size of structures in which the units are located. As with population information, it is useful to compare census tracts within the study area, the total study area, the borough, and the City, to understand the particular conditions of the study area. Trends in housing can also be obtained by comparing the most recent census with the previous one or two decades. Where there is reason to suspect that the latest census data are out of date, annual information on new housing units can be obtained from DCP's MISLAND file.
2. Housing value and rent. The U.S. Census provides information on median housing value and median contract rent. This information reflects the range of rents for units of different sizes and ages, and for occupants who may have moved in recently or lived in their units for a long time. To understand current trends, this information can be supplemented by discussions with real estate brokers and examination of current apartment listings.

The key for this analysis is to establish market-rate prices and understand the extent to which the site of the action and/or the study area differ or conform to these trends. Housing sales are recorded and available through various real estate publications.

3. Cooperatives and condominium conversions. In some neighborhoods the conversion of units to cooperatives or condominiums is an indication of upgrading trends. Information is available through various real estate publications.
4. Single-room occupancy hotels (SROs). If there is reason to believe that a sizable population in the study area resides in SROs, it may be appropriate to inventory these hotels and estimate their residential population. This can be done using the MISLAND multiple dwelling file in conjunction with a field survey, interviews with managers or even desk clerks, and observing the people entering and exiting the building.
5. Housing status. The rent levels of many of the housing units in the City are controlled through several mechanisms: rent control, which applies to units that are located in buildings built before 1947 with three or more units and that have been occupied by the same tenant since 1971; rent stabilization, which sets the rent of units in buildings of six units or more that were built before 1974 or that have received tax abatements or exemptions under one of several City programs; direct public subsidies to the landlord through such means as rent subsidy payments, low-interest mortgages, and/or partial real estate tax exemptions; and public ownership. The City's MISLAND data base, IPIS property management data base, and Housing Data Base for Public and Publicly-Assisted Housing can provide information on publicly subsidized or publicly owned housing units. The privately held rental units not subject to rent control or rent stabilization are estimated from census data. The census presents the number of rental units (and population) in structures of one and two units, three and four units, five to nine units, and so on. Those units in buildings of five or fewer units can be assumed not to be subject to rent stabilization. It is also conservatively assumed that none of these units are subject to rent control, either.

Based on the study area in question, the analyst should make a reasonable estimate of how many units and residents in the five- to nine-unit category are in five-unit structures and add these to the two lower categories to estimate the number of units and population unprotected by rent stabilization.

- *Identify population currently at risk of displacement.* Using some or all of the information listed above, or any other information that would be relevant, the analyst can identify the general location and size of the population at risk of displacement. These would be people living in privately held units unprotected by rent control or rent stabilization, whose incomes or poverty status indicate that they could not support substantial rent increases.

Future No Action Condition. Since impacts of the proposed action are assessed in relation to the future without the action, it is necessary to project existing conditions to the build year for the action. The objective is to identify, as appropriate, the trends affecting rents and displacement that may be in effect in the future without the action. This analysis includes the following:

- Identification of other actions and developments proposed, approved, or under construction in the area (see Chapter 3A, Land Use, Zoning, and Public Policy).
- Identification of anticipated population changes, if any.
- Based on recent and current trends in the area, assessment of future trends and conditions.
- Consideration of economic trends within the City.

Future Action Condition. 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).

The size of the action can be measured in terms of its square footage or number of housing units, or its population and housing profile in relation to that of the study area. This involves estimating the project's population characteristics, particularly including size, age, and income, and comparing these conditions in the future without the action. Generally, if the proposed action would increase the population in the study area by less than 5 percent, it would not be large enough to affect socioeconomic trends significantly.

The type of action is assessed in relation to future land uses or activities without the action (this information is available from the land use analysis described in Chapter 3A), and to expected future socioeconomic conditions (no action conditions). An example of an action that, by its difference from the surrounding area, could affect or introduce a new socioeconomic trend would be a large, mixed-use or commercial project, perhaps as part of an urban renewal area, that would be built near a lower-rise, lower-income residential area. Usually, this type of situation also requires a relatively large development to affect or introduce a trend.

332.2. Indirect Business and Institutional Displacement

As noted under the preliminary analysis of business and institutional displacement (Section 322.2), indirect displacement may result from an action that would increase property values and thus increase rents for potentially vulnerable category of businesses. Such displacement can be of concern when it would result in changes to land use or population patterns or community character, or when it would displace businesses that meet the criteria set forth in Section 321.2, above. The assessment approach varies depending on the particular indirect displacement issue identified in the preliminary assessment.

Increases in Property Values and Rents. Whatever the actual cause (e.g., the introduction of new economic activity or new population groups, the removal of blighting uses) the assessment of indirect displacement depends on developing an understanding of which sectors of an area's economic base may be most vulnerable to indirect displacement.

Existing Conditions—The first step is to develop a profile of the study area to determine whether it

includes any potentially vulnerable category of businesses or institutions.

- Economic profile. Some or all of the following tasks may be applied to construct an economic profile of the study area. Some of these tasks may have been performed as part of the preliminary assessment (see Section 322.2, above), but are repeated here to illustrate the completeness of this profile.
 1. If the area is large enough, gather zip code employment data available from the New York State Department of Labor. This will provide a picture of an area's employment base by key industry sector and, through the use of multiyear data, trends in employment.
 2. Determine whether any relevant studies have already been conducted that can provide relevant, current data. In certain areas, such as Long Island City, comprehensive studies are available from public agencies. The most likely sources of data are the Department of City Planning and the Economic Development Corporation. Local community boards may also have appropriate data.
 3. Generally, to supplement secondary data as appropriate, an up-to-date profile may be developed by collecting primary data. This may include conducting a building-by-building field survey of the relevant area. The survey should focus on the number and types of firms; indicators, if any, of recent trends (e.g., are there already signs of change or disinvestment); and available space, as well as real estate brokers active in the area. Real estate brokers are often excellent sources of trends in tenancy and rental and sale prices for space and whether there are special relationships among the activities of the area's businesses.
 4. The survey data and other data gathered can also be supplemented through interviews with other relevant public officials (e.g., particular industry specialists), trade associations, local development corporations, and/or merchant associations. In some instances, interviews with selected businesses identified in the field survey can be used to gain important insights into trade areas, customer base, unusual linkages, relocation possibilities, etc.

5. Identify trends and conditions in the underlying economy.

- Regulatory protections. Determine how existing regulations and laws may affect possible shifts in the economic base of the area.
- Determine whether land use, building stock, transportation, and other services required to support the potentially displaced economic activity exist in the study area. This is undertaken first by identifying the elements necessary and then by coordinating with the land use analysis or other appropriate technical area.
- Identify categories of businesses or institutions at risk. Using the information gathered, characterize the existing economic profile, focusing on categories of businesses and institutions that could be vulnerable to displacement if property values and rents were to rise. Assess this likelihood given public policy and other factors that affect economic conditions in the area.

Future No Action Condition—For the project's build year, determine whether any factors would emerge that would affect the underlying economic base of the target area. This may include the influences of specific development projects, the enactment or expiration of relevant regulations and laws, and an assessment of underlying trends as identified above and in the land use analysis (see Chapter 3A). The conclusions of the existing conditions analysis are then revised to include relevant information about the future no action condition.

Future Action Condition—The assessment of existing and future no action conditions will provide a picture of the local economic base, changes that have occurred over the years, and changes, if any, that can be expected in the future. Qualitatively assess, based on historical patterns of development in comparable neighborhoods and the strength of the underlying trends, whether and under what conditions the action would stimulate changes that would raise either property values or rents and, if so, whether this would make existing categories of tenants vulnerable to displacement.

Competition. Occasionally, development activity may create uses that compete with existing businesses. An example typical in New York City is the development of new shopping facilities that

attract sales from existing stores. While these competitive economic impacts do not necessarily generate environmental concerns, where they have the potential to affect neighborhood character by affecting the viability of neighborhood shopping areas they become an environmental concern. This analysis is closely coordinated with neighborhood character studies (see Chapter 3H).

Existing Conditions—The analysis of the potential effects of competition varies depending on the nature, size, and location of the proposed action. For the development of a shopping center, the following steps may be appropriate.

- Determine the primary trade area for the proposed anchor stores. The primary trade area is the area from which the bulk of the store's sales are likely to be derived. The trade area can be expressed in either mileage (e.g., a 1½- to 2-mile radius from a site is a typical primary study area for a large supermarket; a larger trade area would be typical for a department store) or travel time.
- Develop a profile of the retail environment within the trade area. This will require locating key retail concentrations within the trade area; creating, usually through field surveys, an inventory of their retail uses; and, through visual observation or through discussions with local realtors, development corporations, or merchant associations, developing an understanding of recent trends and overall conditions. If there is no appreciable overlap between the proposed uses and the existing retail base within a trade area, no additional information or analysis is needed. However, in most cases, substantial overlap between the proposed uses and existing retailers is likely (particularly when the proposed anchor is a large supermarket), thereby necessitating further analysis. This would require the following additional subtasks:

1. Through data available from the census and from the U.S. Department of Commerce, develop a profile of the shoppers within the primary trade area. This profile should include information on total population, households, income and expenditure potential for relevant retail goods, and, if relevant, auto ownership.
2. Profile stores that are most potentially competitive with project anchors. In the

case where the shopping center would be anchored by a supermarket, this profile should include the location, size, characteristics (e.g., availability of parking, hours of operation), and sales volume of trade area supermarkets. These data can be collected through field observations (for availability of parking and hours of observation); detailed real estate atlases, such as Sanborn maps (for size); and from standard references, such as *The Dollars and Cents of Shopping Centers*, published by the Urban Land Institute (for estimated sales volume). The number of other food stores should also be identified though, because of their sheer number, a detailed profile may not be necessary. Where there are other anchors, similar procedures can be followed. Key competitors can be identified and profiled.

3. The expenditure profile developed in item 1 and the sales generated by key anchors developed in item 2 can be compared to determine whether the trade area is currently saturated with retail uses (not usually the case in New York City) or whether there is likely to be an outflow of sales from the trade area. This assessment will be based on the percentage of available sales currently derived by existing stores (the capture rate) and the residue of dollars left unspent.

Future No Action Condition—For the project's build year, determine whether any factors would emerge that would affect conditions within the trade area. These may include projected increases in population that would provide a stronger base of shoppers, other projected retail developments, or anticipated store closings or rising incomes.

Future Action Condition—Add the proposed action to the baseline established in the future no action conditions. For a proposed shopping center, the future action conditions analysis could consist of the following tasks:

- Project the sales volume for the anchor tenants. This would be based on the size of the store and on industry standards for sales derived from the Urban Land Institute's *Dollars and Cents of Shopping Centers* or another appropriate source.
- Compare the project sales volume with the dollars available within the trade area (derived from the existing conditions analysis). If the

action would substantially raise the capture rate within the trade area, it may have the potential to affect competitive stores throughout the trade area. Depending on specific characteristics, effects on stores closest to the site could also occur even when there are still substantial unspent dollars within the trade area.

- Assess impacts on local shopping areas. If the proposed anchor stores have the potential to affect the operations of competitive stores located on neighborhood commercial strips and if these competitive stores are the anchor stores on neighborhood commercial strips, there would be a potential for neighborhood character impacts. The number and variety of the proposed non-anchor stores could accentuate the potential for impacts.

333. Adverse Effects on Specific Industries

333.1. Existing Conditions

The key to understanding potential impacts on specific industries is to develop an understanding of the relationship between the proposed action and the potentially vulnerable business (es). This may require field observation and interviews with select local businesses. For non-location-specific actions, such as changes in regulations for particular industries, it is important to understand the relationship between the processes intended for regulation and the operation of the businesses. Again, this may require either special research or interviews with potentially affected businesses.

331.2. Future No Action Condition

Determine any factors that would affect the future operations of vulnerable businesses identified in the analysis of existing conditions. For example, it may be possible that technological advances may phase out the types of processes proposed for regulation.

331.3. Future Action Condition

Potential effects can range from changes in operations that may be of little overall consequence to the individual businesses, changes that may add costs but would not cause displacement or relocation, or changes that would result in displacement or relocation. For example, for changes in regulations that affect the basic processes conducted by a business, the analysis

could consider whether that process is critical for the operation of the business, whether there are acceptable substitutes that would not materially affect the operations of the businesses, and whether relocation to other areas with less stringent regulations would be a more viable option. In some cases, the action may directly or indirectly affect businesses that support or interact with other businesses or industries in the area, which would then be secondarily affected. If there is potential for these businesses to be affected, they should be described and analyzed.

400. Determining Impact Significance

410. DIRECT DISPLACEMENT

411. Residential Displacement

Impacts of direct residential displacement are usually considered significant if they would contribute to a change in neighborhood character. In these cases, mitigation would be considered.

412. Business and Institutional Displacement

For businesses and institutions with the characteristics listed in Section 321.2, above, a situation in which such a business or institution would be displaced by the action and could not relocate into suitable space according to its reasonable locational needs may be considered a significant adverse impact warranting consideration of mitigation.

420. INDIRECT DISPLACEMENT

421. Residential Displacement

Generally, if a proposed action would trigger or accelerate a socioeconomic change that would affect a population at risk or if it would accelerate such a trend enough to affect neighborhood character, the impact would be considered significant and adverse, and mitigation should be considered. The basis for this conclusion is that the households or individuals would be displaced by legal means. They would not be likely to receive any relocation assistance, and, given the trend created or accelerated by the proposed action, they would not be likely to find comparable replacement housing in their neighborhood.

422. Business and Institutional Displacement

Generally, if a proposed action would trigger a socioeconomic change that would affect a category of business or institution with the characteristics set forth in Section 321.2, the impact would be considered significant and adverse, and mitigation should be considered. The basis for this conclusion is that the businesses would be displaced by legal means and would therefore be powerless to prevent their displacement. They would not be likely to receive any relocation assistance, and, given the trend created or accelerated by the proposed action, they would not be likely to find comparable replacement space in their market area.

430. EFFECTS ON SPECIFIC INDUSTRIES

An impact of an action that would measurably diminish the viability of a specific industry that has substantial economic value to the City's economy is considered significant and adverse, requiring consideration of mitigation.

500. Developing Mitigation

510. DIRECT DISPLACEMENT

511. Residential Displacement

For significant impacts on neighborhood character that result from direct residential displacement, mitigation would consist of relocation of the displaced residents within the neighborhood. Measures could include provision of relocation assistance or additional relocation assistance, including lump sum payments, payment of moving expenses, payment of brokers' fees, and payment of redecorating expenses. When direct displacement would cause a significant impact, the mitigation could also be to replace affordable units elsewhere in the study area to offset the effects of the action. The extent of mitigation may be limited by overall project feasibility. In such cases, an unmitigated impact is identified.

512. Business and Institutional Displacement

Mitigation for business and institutional displacement is similar to residential mitigation, but the opportunities can be more limited, depending on the problem. Measures can include helping to seek out and acquire replacement space; provision of relocation assistance, including lump sum payments, payment of moving expenses, payment of brokers' fees, and payment for im-

provements to the space (if the new landlord is not providing for improvements). The extent of mitigation may be limited by overall project feasibility. In such cases, an unmitigated impact is identified.

520. INDIRECT DISPLACEMENT

521. Residential Displacement

Similar to the mitigation for direct residential displacement discussed above, for significant impacts on neighborhood character that result from indirect residential displacement, mitigation would consist of relocation of the displaced residents within the neighborhood or providing new housing elsewhere in the study area to offset the effects of the action. Mitigation measures for indirect residential displacement can include: providing appropriate, comparable space as part of the project, either on-site or off-site but within a reasonable distance of the current location of the units that would be displaced; contributions to tenant advocacy groups; or enacting laws and regulations to prevent indirect displacement from occurring. If this mitigation would require other discretionary actions that may not be approved concurrently with the proposed action, the environmental assessment would disclose that there may be an unmitigated adverse impact if the mitigation is not approved.

When the action is a land use that would lead to disinvestment in the neighborhood, resulting in residential displacement, mitigation can include enhanced amenities or increased public services to be included as part of the action.

522. Business and Institutional Displacement

Mitigation measures for indirect displacement of businesses and institutions can include enactment of regulations and policy. (If this mitigation would require other discretionary actions that may not be approved concurrently with the proposed action, the environmental assessment would disclose that there may be an unmitigated adverse impact if the mitigation is not approved.) In some cases, it may be possible for a project sponsor to acquire and preserve space in, say, industrial use, or guarantee rent levels over a specified time period. For adverse impacts on local commercial streets, mitigation can include contributions to fund local commercial revitalization efforts. For example, funds that enhance the streetscape along a commercial strip

may encourage patrons to continue shopping there, despite increasing competition.

When the action is a land use that would lead to disinvestment in the neighborhood, resulting in displacement of businesses or institutions, mitigation can include enhanced amenities or increased public services to be included as part of the action.

530. EFFECTS ON SPECIFIC INDUSTRIES

For specific industries affected by changes in regulations, mitigation can include financial compensation through tax reductions or public expenditures, or lifting of other regulations. If this mitigation would require other discretionary actions that may not be approved concurrently with the proposed action, the environmental assessment would disclose that there may be an unmitigated adverse impact if the mitigation is not approved.

600. Developing Alternatives

610. DIRECT DISPLACEMENT

611. Residential Displacement

Usually, for an action that would result in significant impacts because of direct displacement of residences, an alternative site should be considered that would not displace any residences. If those residences occupy only a portion of the project site, a smaller project or an alternative configuration that avoided them could also be considered. Other alternatives could include an action that included appropriate housing units.

612. Business and Institutional Displacement

Similarly, for actions that would result in significant impacts because of direct displacement of businesses, alternative sites should be considered that would not displace any businesses. If those businesses occupy only a portion of the project site, a smaller project or an alternative configuration that avoided them could also be considered.

620. INDIRECT DISPLACEMENT

621. Residential Displacement

For residential projects, alternatives that avoid indirect residential displacement would include a different housing mix as part of the project—for example, including more large units to

accommodate the families to be displaced, or including more affordable units that could replace those to be affected in the study area. A different mix of uses, or less intense uses, can also be considered. In some cases, particularly public actions, different sites should be considered.

622. Business and Institutional Displacement

Where indirect displacement of businesses or institutions is at issue, alternatives are similar to those for indirect residential displacement: altered mix of uses, perhaps to include some space for uses to be indirectly displaced; less intense uses; or, if appropriate, an alternative site.

630. EFFECTS ON SPECIFIC INDUSTRIES

It is difficult to be specific as to alternatives in the case of impacts on specific industries, since the cases are so disparate. If regulations are the action, a change to regulations or their timing may be an appropriate alternative. Other alternatives depend on the specific circumstances of each action.

700. Regulations and Coordination

710. REGULATIONS AND STANDARDS

711. Regulations Affecting Residents

As discussed above, residential tenants are afforded protection against displacement through State rent regulations, regulations guiding the conversion of rental units to co-operatives or condominiums, and provisions against the harassment of tenants. For those being displaced by a City action or from a property owned or managed by the City, relocation benefits are provided. These regulations are summarized below.

711.1. Rent Regulation

The New York State Department of Housing and Community Renewal (DHCR) administers both rent control and rent stabilization, two programs aimed at regulating the rents paid by tenants. Rent control covers tenants in rental buildings constructed prior to February 1947 who moved in prior to July 1971. Rent stabilization generally applies to buildings with six or more units constructed before 1974 or receiving benefits of a tax abatement program. Rent adjustments for rent-controlled apartments are made based on a determination of a maximum base rent, i.e., the rent that would be required to operate the unit

under prevailing cost conditions and to provide the owner an 8.5 percent return on the equalized assessed value of the building. Rents in controlled units may be adjusted to account for increases in heating fuel costs.

Rent stabilization also applies to single room occupancy (SRO) dwellings in buildings constructed before July 1, 1969 with six or more units and renting for less than \$350.00 per month or \$88.00 per week on May 31, 1968. Current annual rent increases allowed for permanent SRO tenants are limited to 2.0 percent.

The Department for the Aging administers the Senior Citizen Rent Increase Exemption Program (SCRIE), which regulates rents for tenants 62 years old and over whose household income is \$20,000 or less. For these tenants, annual rent payments cannot exceed 33 percent of annual income.

711.2. Co-op and Condominium Conversion

The conversion of rental units to co-ops or condominiums was a strong phenomenon of New York City's real estate market during the 1980's. Two routes to conversion are possible—eviction plans, which require the approval of 51 percent of the tenants in the building and which allow for the eviction of tenants who do not purchase their apartments once the conversion plan has been declared effective; and non-eviction plans, which require the approval of only 15 percent of the tenants and which do not allow the eviction of tenants who do not purchase their units. Disabled persons and senior citizens are protected from eviction regardless of the kind of plan offered, their income level, or the length of residency in the building. Since virtually all offering plans in New York City have been non-eviction plans, co-op and condominium conversion activity does not pose a strong displacement threat to tenants.

711.3. Additional Protection for SRO Tenants

Since residents of SRO units have at times been subject to displacement (see Section 711.4, below), it should be noted that there are other provisions in the law (also administered by DHCR), other than rent stabilization, which provide an added degree of protection to SRO tenants. These cover the following: the provision of basic services, such as heat, hot water, janitorial services, maintenance of locks and security devices, repairs and maintenance and painting; and evictions, including those required as a result of plans for demolition. In the

case of demolition, the owner is responsible for the relocation of tenants to suitable housing at the same or lower regulated rent in a closely proximate area and for paying moving expenses.

711.4. Anti-Harassment Provisions

Despite the protection afforded tenants under rent control and rent stabilization, tenants can be forced out of their apartments through illegal activities, such as harassment by landlords. Both the New York City Department of Housing, Preservation and Development (HPD) and DHCR administer measures against harassment that, in the more severe cases, provide very strong penalties for persons found guilty of harassment and illegal eviction. With regard to SRO dwellings, no plans for demolition or alteration can be approved by the Commissioner of Buildings unless the Commissioner of HPD either has certified that there has been no harassment of lawful occupants within the 36-month period prior to the date of submission of an application for certification of no harassment or has issued a waiver of such certification.

711.5. Relocation Assistance for Direct Residential Displacement

If a City action results in the acquisition of properties containing residential tenants, HPD will offer relocation assistance to site occupants in compliance with City and State law. For those who are to be displaced under an Urban Renewal Plan, relocation will comply with all applicable laws and regulations including, but not limited to, Section 505 (4)(e) of the Urban Renewal Law. If Federal funding is involved, HPD will provide benefits and services under the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601), as amended ("Uniform Relocation Act"). If feasible, HPD will relocate families and individuals to be displaced into "decent, safe, and sanitary dwellings, which are or will be provided [on-site] or in other areas not generally less desirable in regard to public utilities and public and commercial facilities, at rents or prices within the financial means of such families or individuals, and reasonably accessible to their places of employment."

712. Regulations Affecting Businesses

Regulations, such as rent regulations, to prevent involuntary, indirect displacement, are not available to businesses. However, the City does offer incentives and payments in selected areas to

help offset economic trends that may displace certain types of businesses. Eligible categories of businesses thus receive some measure of protection against economic displacement. In addition, businesses directly displaced by City actions may receive benefits and services under State and Federal law, as applicable.

712.1. City Commercial and Industrial Programs and Incentives

The City offers a number of programs and incentives to commercial and industrial businesses designed to help retain and expand such businesses at their current locations or in New York City. Most of the programs and incentives are administered by the New York City Economic Development Corporation (EDC). Information on these programs can be obtained from EDC and is summarized below.

Tax Reduction Programs. The City offers a variety of tax-reduction programs to commercial and industrial businesses, as follows.

- *Industrial and Commercial Incentive Program (ICIP).* This program offers 12- or 22-year tax abatements for the significant renovation of older commercial or industrial buildings. For commercial buildings, the timing and conditions of the abatement depend on the location of the building in the City. Locations outside of the central business district receive the most favorable terms. Industrial renovations receive the maximum benefit regardless of location, and industrial buildings are also exempt from tax increases that result from reassessing the property at its higher market value.
- *Relocation Employment Assistance Program (REAP).* If a firm is moving from the area south of 96th Street in Manhattan to a location north of 96th Street or in any of the other boroughs, it can receive a 12-year, \$500-per-employee annual credit applied against the City's general corporation tax, unincorporated business tax, or financial corporation tax.
- *Commercial Rent Tax Reduction.* Businesses located north of 96th Street in Manhattan or in the four other boroughs are automatically eligible for a permanent 30 percent reduction in commercial rent tax.

- *Economic Development Zones.* If an industry expands or relocates within one of four state-designated EDZs, it can receive substantial tax incentives and utility discounts, including wage tax credits, sales tax credits, utility reductions, land tax abatement, and real property tax exemptions.

Relocation Assistance. Eligible manufacturers, warehouse, and distributors that relocate within the City can receive financial assistance from the Business Relocation Assistance Corporation (BRAC) and through EDC's Real Estate Services. BRAC makes payments to defray moving costs when residential conversion displaces such businesses that are being displaced from one of 11 targeted areas in the City. Moving grants are also given to eligible firms moving within the City for any reason under the Retention and Relocation Program, the Relocation Intra-Borough Program, or the Relocation Plus Productivity Matching Grant program. EDC will assist eligible relocating industries with services, including planning and feasibility studies, financial analyses, guidance through approval processes, location of relocation space, etc.

Energy Cost Savings Programs. The City, Con Edison, and Brooklyn Union Gas offer a number of programs to reduce the costs of electricity and gas usage for eligible businesses.

Financing Assistance. Businesses that move or expand in the City can be eligible for one or more financing programs, including low-cost, tax-exempt bond financing through the Industrial Development Agency (IDA); loans from the New York City Micro Loan Program, New York City Small Business Reserve Fund; or New York City Direct Loan.

712.2. Relocation Assistance for Direct Business Displacement

As described in 711.5, "Relocation Assistance for Direct Residential Displacement," if a City action results in the acquisition of commercial properties, HPD will relocate site occupants in compliance with State law. Businesses displaced under an Urban Renewal Plan will be relocated in accordance with all applicable laws and regulations, including, but not limited to, the State's Urban Renewal Law. If Federal funding is involved, site occupants will receive benefits and services in compliance with the Uniform Relocation Act.

720. APPLICABLE COORDINATION

Socioeconomic conditions analyses often use information gathered for other assessments of other technical areas. Similarly, data gathered for the socioeconomic analyses can be useful for other technical areas. Therefore, the lead agency should coordinate communication among the different technical analyses.

In addition, coordination with government agencies may be required when their policies apply to the proposed action. These can include the New York State Division of Housing and Community Renewal, which administers rent regulations, and the New York State Attorney General's Office, which regulates cooperative and condominium offering plans.

730. LOCATION OF INFORMATION

731. Census of Population and Housing

- New York City Department of City Planning (DCP)
Housing, Economic, and Infrastructure Planning Division
Population Division
22 Reade Street
New York, NY 10007
- U.S. Department of Commerce
Bureau of the Census
26 Federal Plaza
New York, NY 10278
www.census.gov.

732. Other Population, Economic, and Land Use Data

- MISLAND. Database for land use, housing, demographics, and assessed values.
Source: DCP, Planning Support and Computer Service
- *Annual Report on Social Indicators.* Provides summary data for the City, and, where available, for boroughs and community districts.
Source: DCP, Housing, Economic, and Infrastructure Planning Division
- *Comprehensive Housing Affordability Strategy,* published annually. Provides information on specific programs and on available funding for government-assisted housing.
Source: DCP, Housing, Economic, and Infrastructure Planning Division

- *New Housing in New York City*. Annual reports and database for new housing completions. Source: DCP, Housing, Economic, and Infrastructure Planning Division
- Employment and unemployment data, number of firms and total payroll. Source: New York State Department of Labor
One Main Street
Brooklyn, NY 11201
- Economic databases maintained by DCP, Housing, Economic and Infrastructure Planning Division, as follows:

1. *ES202 (Covered Employment) Data*. Employment, annual payroll, average annual pay per employee, and number of establishment data for New York City, each borough, and the United States. Data are tabulated at the industry division, 2-digit, and 3-digit SIC levels. Recent data are available by year; some historical data (from the 1980's) are also available.

2. *Economic Census Data*. Census of Manufacturing, Census of Wholesale Trade, Census of Retail Trade, Census of Selected Services for 1963, 1977, and 1987. The data are for New York City, each borough, and the United States, and include number of establishments, employment, annual payroll, average annual (and hourly for manufacturing) pay per employee, and a measure of value of output (sales, receipts, value added).

3. *Bureau of Economic Analysis Data*. The Bureau of Economic Analysis CA5 Local Area Employment series, 1969 to most recent year, by industry division and type (wage and salary, self-employed, etc.) for New York City, each borough, the metropolitan area, and the United States. Data are for those working in New York City.

The Bureau of Economic Analysis CA25 Local Area Personal Income series, 1969 to most recent year, by industry division and type (wages and salaries, transfer payments, dividends interest, and rent, etc.), for New York City, each borough, the metropolitan area, and the United States. Includes overall per capita income as well as the sources of aggregate income. Data

are for New York City residents in some cases, and those working in New York in other cases.

4. *Current Employment Survey (Non-Agricultural Data)*. Annual average employment data. New York City and United States at the industry division level, 1958-present.

Current employment survey annual average employment data. New York City, the metropolitan area (by PMSA), the Northeast (and each component state), and the United States at the industry division level, 1983 to present. New York City and the United States at the 2-digit SIC level, as far back as the 1987 SIC change will allow.

Monthly current employment survey employment estimates for New York City, 1987 to the present. Data are for total employment, private, government, and selected 2-digit industries.

- *New Opportunities for a Changing Economy, Citywide Industry Study of Industry Trends, Labor Force, Geographic Atlas, Transportation, Zoning, Technical Reports*. DCP, January 1993.
- IPIS property management data. Inventory of City-owned property.
Source: Department of Citywide Administrative Services
Division of Real Estate Services
2 Lafayette Street
New York, NY 10007
- Real estate publications.
- *NYC Housing and Vacancy Survey* conducted by U.S. Census Bureau for NYC every three years. Contains information on housing units, building and neighborhood conditions, and household and population characteristics.
Source: New York City Department of Housing Preservation and Development
100 Gold Street
New York, NY 10038 and
City Bookstore
Municipal Building
One Centre Street
New York, NY 10007

- *Dollars and Cents of Shopping Centers*, published by the Urban Land Institute.
 - Assessed values and tax rates.
Source: New York City Department of Finance
Municipal Building
New York, NY 10007
 - Expenditure potential for retail goods, models for determining the direct and indirect jobs generated by given construction activity.
Source: U.S. Department of Commerce
14th Street, NW
Washington, DC 20230
 - Information on relocation assistance.
Source: New York State Division of Housing and Community Renewal (DHCR)
Hampton Plaza
38-40 State Street
Albany, NY 12207

New York City Economic
Development Corporation (EDC)
110 William Street
New York, NY 10038
- 733. Information on Publicly Subsidized Housing**
- New York City Department of Housing Preservation and Development (HPD)
100 Gold Street
New York, NY 10038
 - New York State Division of Housing and Community Renewal (DHCR)
Hampton Plaza
38-40 State Street
Albany, NY 12207
 - New York City Economic Development Corporation (EDC)
110 William Street
New York, NY 10038
 - New York State Urban Development Corporation (UDC)
d/b/a Empire State Development Corporation
633 Third Avenue
New York, NY 10017
 - New York City Housing Authority
250 Broadway
New York, NY 10007
 - U.S. Department of Housing and Urban Development (HUD)
Region II, Regional Office
26 Federal Plaza
New York, NY 10278
 - Human Resources Administration
250 Church Street
New York, NY 10013