

A. INTRODUCTION

The proposed project would result in the development of approximately 447 new residential units on a site bordered to the north by Carroll Street, to the south by 2nd Street, to the east by the Gowanus Canal, and to the west by Bond Street. This chapter analyzes changes in residential and economic activity that may occur as a result of the proposed project, and identifies whether any such changes would result in significant adverse socioeconomic impacts.

The objective of this analysis is to determine if the introduction of the residential units planned under the proposed action would directly or indirectly impact population, housing stock, or economic activities in the local study area or in the larger retail trade area. These impacts could occur if the proposed action meets one or more of the following criteria: (1) the action would lead to the direct displacement of residents such that the socioeconomic profile of the neighborhood would be substantially altered; (2) the action would lead to the displacement of substantial numbers of businesses or employees, or would displace a business that plays a critical role in the community; (3) the action would result in substantial new development that is markedly different from existing uses in a neighborhood; (4) the action may affect conditions in the real estate market not only on the site anticipated to be developed, but in a larger area; or (5) the action may adversely affect economic conditions in a specific industry.

PRINCIPAL CONCLUSIONS

The socioeconomic analysis concludes that the proposed project would not have a significant adverse impact on socioeconomic conditions in the study area. The introduction of residential units, community facility and commercial uses, and accessory parking as planned under the proposed project would have no significant direct or indirect adverse impacts on population, housing stock, or economic activities in the local study area, nor would it adversely affect regional economic conditions of a specific industry.

B. METHODOLOGY

The 2001 *City Environmental Quality Review (CEQR) Technical Manual* sets forth guidelines to determine if a socioeconomic impact analysis is appropriate. The *CEQR Technical Manual* states that a socioeconomic assessment should be conducted if an action may be reasonably expected to create substantial socioeconomic changes in an area that would not be expected to occur without said action. The *CEQR Technical Manual* also states that 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. While the proposed project would introduce 2,000 square feet of commercial use, the 447 residential units to be added to the study area would be above the critical threshold for housing units; therefore, a socioeconomic assessment was deemed appropriate.

In accordance with *CEQR Technical Manual* guidelines, this chapter evaluates five specific factors that could create significant socioeconomic impacts in an area: (1) direct displacement of residential population on a project site; (2) direct displacement of existing businesses or institutions on a project site; (3) indirect displacement of residential population in a study area; (4) indirect displacement of businesses or institutions in a study area or trade area; and (5) indirect business displacement and adverse effects on specific industries.

As determined by the *CEQR Technical Manual*, the analysis of these five areas of concern begins with a preliminary assessment. The purpose of the preliminary assessment is to learn enough about the effects of the proposed action to either rule out the possibility of significant adverse impacts, or determine that a more detailed analysis is required to resolve the issue. For all five areas of socioeconomic concern—direct residential displacement, direct business displacement, indirect residential displacement, indirect business and institutional displacement, and adverse effects on specific industries—a preliminary assessment was sufficient to conclude that the proposed project would not result in any significant adverse socioeconomic impacts.

According to the *CEQR Technical Manual*, indirect residential and business displacement impacts are considered to be significant if changes are large enough to adversely affect the character of the neighborhood. Therefore, the analysis in this chapter compares the levels and types of economic activities that would be generated by the project to those of a broader study area to determine whether potential displacement could result in substantial changes to the overall socioeconomic conditions within the study area. Following the guidelines of the *CEQR Technical Manual*, the socioeconomic study area, or the area most likely to be affected by the proposed project, approximates the roughly ½-mile land study area boundary described in Chapter 2, “Land Use, Zoning, and Public Policy.” Adjustments were made to the land use study area boundary to better reflect Census Tract boundaries (since a large amount of socioeconomic data is collected on a Census Tract basis). The socioeconomic study area includes Census Tracts that most closely describe a ½ -mile radius. The study area includes the following 13 Census Tracts: 65, 69, 71, 75, 77, 121, 123, 125, 127, 131, 133, 135, and 137 (see Figure 3-1).

Information used in the preliminary assessment was gathered from demographic and housing data from the U.S. Census Bureau’s 1990 and 2000 Censuses, as well as more recent data from the New York City Department of Finance’s Real Property Assessment Data (RPAD) 2006 Database and ESRI Business Analyst, Inc. (a demographic and market data provider). Real estate agents and prominent web sites were consulted in order to gain a better understanding of post-2000 Census residential and industrial market conditions. In addition, field visits to the study area and field observations were made by staff of AKRF, Inc. in March of 2008.

C. PRELIMINARY ASSESSMENT

DIRECT RESIDENTIAL DISPLACEMENT

Since the project site does not contain any dwelling units, no direct residential displacement would occur under the proposed project. Therefore, an analysis of direct residential displacement is not required.

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The following section evaluates whether the proposed project would result in significant adverse impacts due to direct business and institutional displacement. Direct displacement is the involuntary displacement of a business or institution from the site of a proposed action.

PROFILE OF DIRECTLY DISPLACED BUSINESS ACTIVITIES

The proposed project would directly displace three businesses, employing approximately 20 workers.

Specifically, the proposed project would displace the following uses:

- A warehouse and distribution center for perfumes;
- A garment warehouse and distribution center; and
- A surface parking area that is used for truck parking.

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 impact. According to section 321.2 of the *CEQR Technical Manual*, the following circumstances (listed in italics below) are considered to determine the potential for significant adverse impacts:

(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 business or consumers of losing the displaced business as a product or service.

The business uses in question do not have a substantial economic value to the City or region as defined by CEQR. The commercial business, storage, warehouse, distribution, service, manufacturing, and truck parking uses on the development site are not unique to the area; similar services are offered at other locations within the project study area, and Borough- and Citywide. As of 2000, ESRI estimates there were a total of 119 wholesale warehouse businesses and 72 manufacturing businesses within the study area (see Table 3-1). In addition, the approximately 20 employees represent a minute portion of the total employees in the study area. According to the 2000 U.S. Census, there were over 12,800 employees in the project study area (see Table 3-2). The proposed project would displace less than 1 percent of the total employees in the study area.

The location of the uses on the project site is not critical to the success of any of the businesses using the site, or to the success of other area businesses. There are other suitable locations for commercial businesses, warehouses, distribution centers, storage, and vehicle parking in the immediate area, in the borough, and in the City such that the viability of any of the businesses and institutions would not be jeopardized by the displacement of these uses. Discussions with local real estate brokers confirmed that there are numerous commercial and industrial spaces available within the project study area where these displaced businesses would be able to relocate. According to a representative from Red Hook Realty, a local residential, commercial

**Table 3-1
Study Area Businesses in 2000**

Type of Job by NAICS Category	Study Area		Brooklyn		New York City	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting and mining	3	0.2	51	0.1	312	0.1
Construction	116	7.4	3,419	5.4	13,995	4.3
Manufacturing	72	4.6	2,343	3.7	11,353	3.5
Wholesale trade	119	7.6	3,941	6.2	16,989	5.3
Retail trade	282	18.0	12,322	19.4	50,652	15.7
Transportation and warehousing and utilities	54	3.4	1,463	2.3	10,118	3.1
Information	32	2.0	1,098	1.7	9,461	2.9
Finance, insurance, real estate and rental and leasing	98	6.3	4561	7.2	26,589	8.2
Professional, scientific, management, administrative, and waste management services	166	10.6	6,617	10.4	55,145	17.1
Educational, health and social services	147	9.4	8,486	13.3	37,493	11.6
Arts, entertainment, recreation, accommodation and food services	223	14.2	5468	8.6	26,634	8.3
Other services (except public administration)	209	13.3	11,888	18.7	40,567	12.6
Public administration	7	0.4	579	0.9	2,915	0.9
Armed forces ¹	NA		NA		NA	
Unclassified	40	2.6	1379	2.2	20,173	6.3
Total	1,568	100.0	63,615	100.0	322,396	100.0

Notes: ¹The armed forces category did not yield any businesses.
Sources: ESRI Business Analyst, Inc.

**Table 3-2
Study Area Employees in 2000**

Type of Job by NAICS Category	Study Area		Brooklyn		New York City	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting and mining	0	0.0	445	0.1	2,190	0.1
Construction	1,124	8.8	36,835	5.5	171,880	4.6
Manufacturing	1,374	10.7	47,590	7.1	226,425	6.0
Wholesale trade	893	7.0	22,760	3.4	119,075	3.2
Retail trade	1,065	8.3	59,785	9.0	306,860	8.2
Transportation and warehousing and utilities	1,440	11.2	59,145	8.9	248,485	6.6
Information	540	4.2	16,615	2.5	219,010	5.8
Finance, insurance, real estate and rental and leasing	469	3.7	45,725	6.9	488,170	13.0
Professional, scientific, management, administrative, and waste management services	1,155	9.0	45,435	6.8	475,170	12.7
Educational, health and social services	2,490	19.4	219,180	32.8	838,210	22.3
Arts, entertainment, recreation, accommodation and food services	1,324	10.3	34,535	5.2	276,230	7.4
Other services (except public administration)	700	5.5	39,535	5.9	189,985	5.1
Public administration	243	1.9	39,210	5.9	191,280	5.1
Armed forces	0	0.0	680	0.1	2,145	0.1
Total	12,817	100.0	667,475	100.0	3,755,115	100.0

Sources: U.S. Census Bureau, Reverse Journey-to-Work, 2000; categorized by the North American Industry Classification System (NAICS).

and industrial real estate brokerage firm, average industrial rental prices for these spaces in Brooklyn range from \$12 to \$16 per square foot¹. Relocation to available industrial properties is feasible with regard to proximity and price. Thus, businesses would be able to relocate within the Borough without great difficulty.

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

The businesses activities that would be directly displaced are not subject to regulations or publicly adopted plans to preserve, enhance, or protect them. The project study area and the project site in question are both part of the Southwest Brooklyn Empire Zone that was enacted in 1986 to help spur private investment and create jobs in the in this area—which includes parts of Red Hook, Gowanus, and Sunset Park.² The southern portion of the study area (east of the Gowanus Canal, bounded by 3rd Street to the north, 3rd Avenue to the west and Hamilton Avenue to the south), is located within the Southwest Brooklyn Industrial Business Zone (IBZ) (see Figure 3-2). In this area, it is City policy not to make zoning changes that allow new residential uses. To the north of the project site is a City-designated Industrial Ombudsman Area (IOA), designed for mixed-use areas adjacent to IBZs, where it is assumed that businesses face unique challenges. For each of these areas, the City has designated an ombudsperson to: (1) respond to area problems as they relate to particular industrial uses; (2) serve as a contact person for questions or issues; and (3) provide direct access to incentive programs and help resolve maintenance and other regulatory issues. While the proposed project would displace three businesses, it would also effectively spur the private development of 447 units of housing. These new housing units would act as a stimulant for growth and economic potential in the neighborhood by attracting a new and diverse population to the study area.

Additionally, the Gowanus Canal Community Development Corporation, (“GCCDC”), a local non-profit dedicated to the revitalization of the Gowanus Canal area has published a draft plan for the community which addresses community issues and offers recommendations and improvement they would like to see throughout the neighborhood.³ The plan divides the neighborhood in two sections, the south district and the north district, and addresses such issues as environmental restoration, development of residential and mixed-use districts, transportation, and job creation. The Bond Street project site is located in the north district where creating more housing units is a top priority. The proposed project would not only contribute to the GCCDC’s goal of producing more units of housing, it would also coincide with its objective to create more open space, as the planned development includes a waterfront open-space component along the canal.

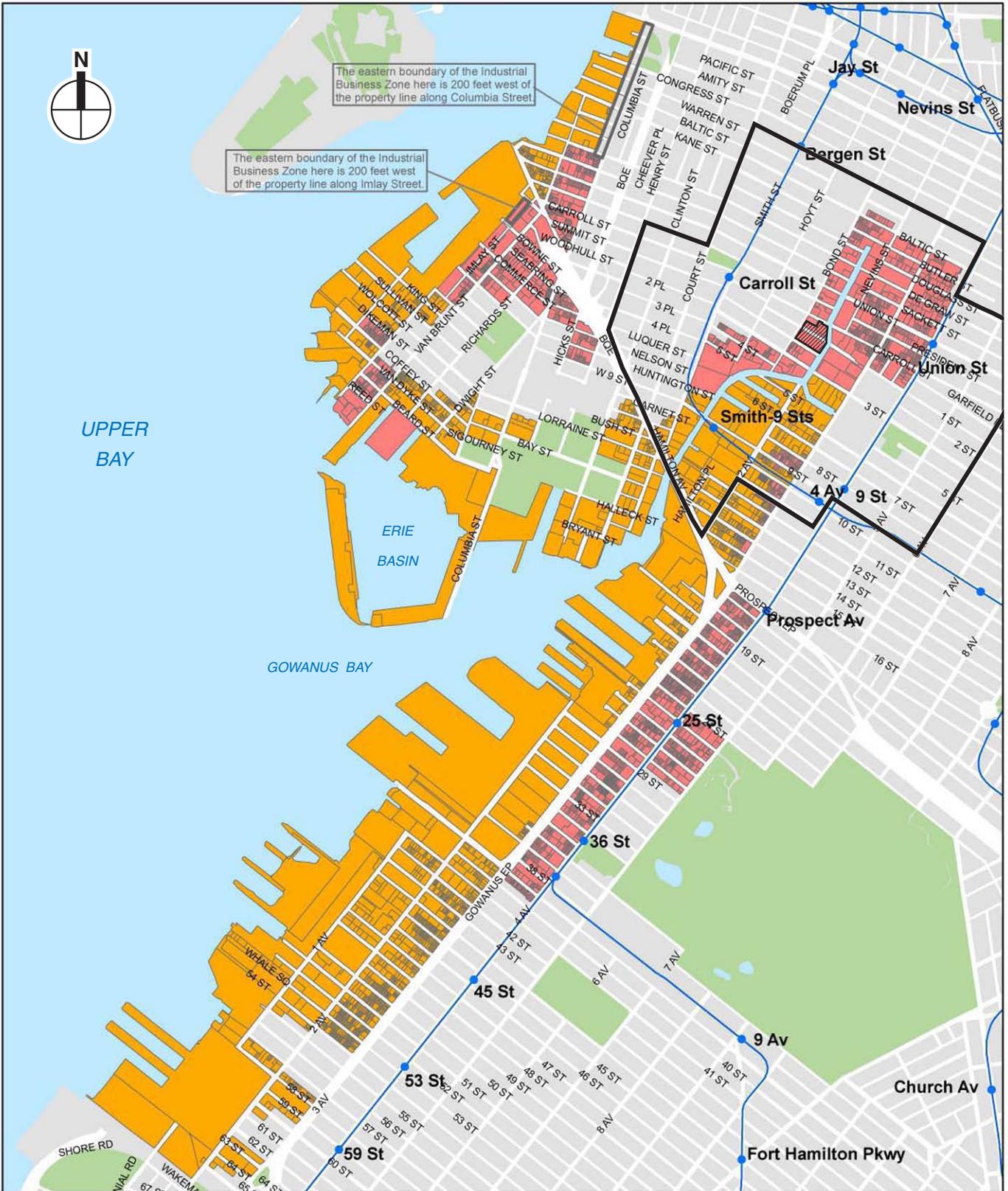
(3) If the business or institution defines or contributes substantially to a defining element of neighborhood character (or a substantial number of businesses or employees would be displaced that collectively define the character of the neighborhood).

The business uses on the project site that would be displaced by the proposed project do not define or contribute substantially to the defining element of neighborhood character, nor would a substantial number of businesses or employees be displaced that collectively define the character

¹ Interview with Rachel Shapiro of Red Hook Realty, March 24, 2008.

² Southwest Brooklyn Industrial Development Corporation website, <http://www.swbidc.org/edz.html>, accessed June 2006.

³ Gowanus Canal Community Development Corporation website, “See it. Shape it. Share it.” Gowanus Canal Comprehensive Community Plan,” <http://www.gowanus.org/draftplan.pdf>, accessed June 2006.



-  Project Site
-  Industrial Business Zone
-  Ombudsman Area
-  Socioeconomic Study Area Boundary

Data Source: MapPLUTO copyrighted by the New York City Department of City Planning
 Prepared by the Mayor's Office of Industrial and Manufacturing Businesses, March 2006

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of the neighborhood. The project study area contains a mix of uses, including light industrial, institutional, commercial, and residential uses. The commercial, storage, warehousing and parking uses on the project site are similar in nature to uses at several other properties located between Bond Street and the Gowanus Canal.

This preliminary assessment finds that the direct displacement of the business uses on the project site would not result in significant adverse impacts, and no further analysis of direct business displacement is necessary.

INDIRECT RESIDENTIAL DISPLACEMENT

The analysis of indirect residential displacement considers whether the proposed action would increase property values and subsequently rents in the study area, making it difficult for some existing residents to afford their homes. The preliminary assessment is based on the screening criteria outlined in Section 322.1 of the *CEQR Technical Manual*, which describe circumstances that can generate potentially significant impacts. This section first presents a demographic profile of the project study area, and is followed by responses to the CEQR assessment criteria, which are numbered in italics below.

DEMOGRAPHIC PROFILE OF THE PROJECT STUDY AREA

As shown in Table 3-3, the project study area contained approximately 41,663 residents in 2000—an increase of 3.0 percent since 1990. This growth in population over the decade is less than the overall growth for New York City (6.9 percent population increase) and is in contrast with the loss of population in Brooklyn as a whole (6.7 percent decrease).

Table 3-3
Population and Income Characteristics of Bond Street Study Area¹

	Total Population					Median Household Income ²			Poverty Status		
	1990	2000	2006	Change 1990-2000	Change 2001-2006	1989	1999	Change	1990	2000	Change
Study Area	40,456	41,663	43,070	3.0	3.4	\$52,268	\$62,604	19.8	21.4	17.3	-19.1
Brooklyn	2,465,326	2,300,664	2,523,047	-6.7	9.7	\$44,232	\$40,833	-7.7	22.7	25.1	10.6
New York City	7,322,564	7,825,848	8,250,567	6.9	5.4	\$51,359	\$48,658	-5.3	19.3	21.2	9.2

Notes: ¹ Median household income for the study area was estimated based on a weighted average of median household incomes for the Census Tracts in the study area.
² 1989 median household income presented in constant 2008 dollars.
 2006 study area population was estimated by applying the 2000 average household size (2.25) and the 2000 vacancy rate (4.4 percent) for the study area to the estimated number of housing units added between 2000 and 2006 (654 units). 2006 New York City population estimate is from the U.S. Census Bureau's "Table 1: Annual Estimates of the Population for Incorporated Places Over 100,000, Ranked by July 1, 2006 Population: (April 1, 2000 to July 1, 2007)", 2006 Kings County population estimate is from the U.S. Census Bureau's "Table 1: Annual Estimates of the Population for Counties of New York: (April 1, 2000 to July 1, 2007)"

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

The residential population in the project study area is primarily concentrated to the east and west of the Gowanus Canal corridor where the residential neighborhoods of Carroll Gardens and Park Slope border the industrial uses along the canal. Between 1990 and 2000, the residential population in Census Tracts 75, 77, 123, and 125, which border the Gowanus Canal, increased by between 7.6 percent and 23.9 percent—a greater population increase than the study area as a

whole. Areas in the immediate vicinity of the canal have become more attractive to residents in since 2000. More recent RPAD data indicate the study area gained 1,407 residents between 2001 and 2006—a 3.4 percent increase.

The 1999 median household income within the study area was an estimated \$62,604 (in 2008 dollars), substantially higher than the median household income for Brooklyn (\$40,833), and New York City (\$48,658). There was a 19.8 percent increase in median household income within the project study area between 1989 and 1999—in contrast to the single-digit percentage decreases for both Brooklyn and New York City. In 2000, approximately 17.3 percent of residents in the project study area were living below the poverty level, compared to 25.1 percent in Brooklyn, and 21.2 percent in New York City as a whole. For the project study area, this was a decrease of more than 19 percent.

As shown in Table 3-4, the housing stock in the project study area increased by 1,382 units between 1990 and 2000, a growth rate of 7.7 percent—slightly higher than the overall growth rate for Brooklyn (6.5 percent) and New York City as a whole (7.0 percent). In 2000, the percentage of vacant units was slightly lower than the Borough and City rates. The percent of units that were renter-occupied in 2000 was slightly higher than the rates of both the Borough of Brooklyn and New York City as a whole.

**Table 3-4
Housing Unit Characteristics of Bond Street Study Area**

	Total Housing Units					2000 Vacancy Rate		2000 Tenure, All Occupied Units	
	1990	2000	2006	Change 1990-2000	Change 2001-2006	Occupied	Vacant	Owner Occupied	Renter Occupied
Study Area	17,901	19,283	19,937	7.7	3.4	95.6	4.4	23.9	76.1
Brooklyn	873,671	930,866	954,372	6.5	2.5	94.6	5.4	27.1	72.9
New York City	2,992,169	3,200,912	3,311,065	7.0	3.4	94.4	5.6	30.2	69.8
Notes:	The total number of 2006 study area units include housing units in the RPAD database that were built between 2001 and 2006								
Sources:	U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census, and Annual Estimates of Housing Units for Counties in New York; Summary File 1; New York City Department of Finance; RPAD; AKRF, Inc..								

2006 RPAD data indicate a total of 654 housing units were built between 2001 and 2006. Within tract 135 alone, a total of 115 residential units were added after the 2005 construction of Novo, a residential complex located at 343 4th Avenue. Also completed in the same year was The Crest at 302 2nd Avenue, adding 69 units to tract 117. With respect to the construction of smaller residential buildings, an estimated 164 buildings containing two to eight residential units were built during these six years, accounting for roughly 25 percent of the total housing stock.

Similar to total population and housing units, households and housing value characteristics within the project study area also increased between 1990 and 2000 (see Table 3-5). The project study area grew by almost 2,000 households between 1990 and 2000, an increase of 11.5 percent. In comparison, the number of total households in Brooklyn and New York City increased by 6.4 percent and 7.3 percent, respectively. Over the same decade, the median contract rent in the study area increased by 12.9 percent, while the median contract rents in Brooklyn and New York City increased by 7.1 percent and 6.4 percent, respectively. In 2000 both the median contract rent and the median housing value in the study area were higher than the medians for Brooklyn and New York City as a whole.

Table 3-5

Households and Housing Value Characteristics of Bond Street Study Area¹

	Total Households			Median Contract Rent			Median Housing Value ²	
	1990	2000	Change	1990	2000	Change	1990 ³	2000
Study Area	16,533	18,441	11.5	\$857	\$967	12.9	NA	\$462,845
Brooklyn	827,679	880,727	6.4	\$713	\$763	7.1	NA	\$281,766
New York City	2,816,274	3,021,588	7.3	\$ 746	\$794	6.4	NA	\$271,931

Note:

¹Median values for the study area are based on weighted averages for the Census Tracts in the study area.

² 1990 and 2000 values are presented in constant 2008 dollars.

³ Median home values for 1990 and 2000 are not comparable because the Census Bureau's 1990 housing value is based on sample data that excluded multi-unit buildings ("specified owner-occupied units"), while the 2000 median is based on "all owner occupied units."

Sources: 1990 and 2000 U.S. Censuses, Summary File 1 and Summary File 3.

CEQR SCREENING CRITERIA

(1) Would the proposed project add substantial new population with different socioeconomic characteristics compared to the size and character of the existing population?

The proposed project would add approximately 447 new residential units to the study area. Of those, approximately 320 would be condominiums and approximately 130 units would be rental units which would be set-aside for affordable housing. Residents of the proposed project are not expected to have different socioeconomic characteristics compared to the existing population. The study area currently has a residential population whose median household income is more than 53 percent higher than in all of Brooklyn. Given that the majority of the units would be new, market-rate units, the development is anticipated to house a population whose median household income also would be above the median for Brooklyn. In addition, the proposed project would introduce a population with lower household incomes through the provision of affordable housing. Overall, the proposed project's population would reflect the range of incomes currently within the study area.

As stated in the *CEQR Technical Manual*, if the proposed project would increase the population in the study area by less than 5 percent, it would not be large enough to significantly affect socioeconomic trends. As shown above the study area had an estimated population of 43,070 in 2006 and contained approximately 19,937 housing units. The proposed project would add approximately 447 units of housing to the study area, an increase of only 2.2 percent. According to the 2000 U.S. Census, the average household size for the study area was 2.25 persons per household. Using the 2000 average household size, we can estimate that the proposed project would increase the 2006 study area population by 1,006 people, an increase of approximately 2.3 percent. Therefore, the proposed project would not add a substantial new population with different socioeconomic characteristics compared to the size and character of the existing population.

(2) *Would the proposed project directly displace uses or properties that have had a “blighting” effect on property values in the area?*

While the current uses and properties on the project site exhibit some characteristics of blight (including vacancies, cracked sidewalks, and graffiti), the project site is not uniquely blighted in the context of the study area, and the removal of uses from the project site would not be of a scale to affect property values in the surrounding area. The closest residential properties east of Gowanus Canal—on Carroll, President, and Union Streets, and 3rd Avenue—are separated from the project site by other industrial uses along Nevins Street and the Gowanus Canal that exhibit similar physical conditions to those on the project site. These industrial uses, which are located between the project site and these residential neighborhoods, effectively eliminate the influence of the project site on residential property values.

In addition, the condition of residential uses in the immediate area indicates that the project site’s blighted conditions do not have a blighting effect on residential property values in the surrounding area. The nearest residential properties—located directly across the street from the project site on the other side of Bond Street—are all in very good condition and many of them appear to be recently renovated.

(3) *Would the proposed project directly displace enough of one or more components of the population to alter the socioeconomic composition of the study area?*

As stated above, the proposed project would not directly displace any existing dwelling units and would therefore not directly displace one or more components of the population to alter the socioeconomic composition of the study area.

(4) *Would the proposed project 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 project is implemented?*

As shown in Table 3-5, the median home value in the study area was \$462,845 in 2000 compared to \$281,766 for Brooklyn and \$271,931 for New York City. Similarly, the median contract rent for the study area was \$967 in 2000 as compared to the Brooklyn and New York City median contract rents of \$763 and \$794, respectively—indicating a relatively solid residential real estate market during this time.

As of March, 2008, new housing market information from various sources indicates a continuation of these trends. A recent study released by Corcoran, called *The Corcoran Report: Year End 2007*, examined both the Carroll Gardens/Cobble Hill and Park Slope neighborhoods—neighborhoods that border the Gowanus canal to the east and west. The boundaries for these neighborhoods, listed by Corcoran, intersect with the project study area outlined in this analysis. The median condo price for Carroll Gardens/Cobble Hill was listed as \$709,000 and at \$699,000 for Park Slope. According to online rental listings, apartments in the Cobble Hill, Boerum Hill and Carroll Gardens area ranged from \$1,995 for a one bedroom apartment, to \$3,800 for a two bedroom apartment.¹ Park Slope median rent in 2008 was \$3,050².

While the proposed project would introduce approximately 447 residential units, up to 130 (29.1 percent) of them would be affordable. Although some of the housing units introduced by the

¹ www.rent-direct.com, accessed March 25, 2008.

² Acitelli, Tom. “Park Slope Living at Manhattan Rents”, *The New York Observer*. January 29, 2008.

plan might be more costly than what is typical of the existing housing stock in the study area, the new market rate units would be comparable other existing housing¹.

(5) Would the proposed project introduce a “critical mass” of non residential uses such that the surrounding area becomes more attractive as a residential neighborhood complex?

As previously mentioned in Chapter 1, “Project Description,” the 2,000 square feet of commercial space that would be introduced is intended to serve the residential convenience commercial demands of the new population to be introduced by proposed project. Because these uses already exist within the study area, new commercial uses would not constitute a “critical mass” of non-residential uses such that it would make the surrounding area more attractive as a residential neighborhood complex.

(6) Would the proposed project 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 project 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 project would provide much-needed housing, including affordable units, in a neighborhood with growing demands for such a development.

Based on the preliminary assessment presented above, the proposed project would not result in significant adverse socioeconomic impacts due to indirect residential displacement. Therefore, a detailed analysis of this issue is not warranted.

INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

Like the analysis of indirect residential displacement, the concern with respect to indirect business and institutional displacement is whether the proposed 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 changes if it introduces a new economic activity, or adds to the concentration of a particular sector of the local economy enough to alter or accelerate ongoing trends to alter existing economic patterns. The proposed project would not have such an effect. The project would introduce 2,000 square feet of commercial space; according to the *CEQR Technical Manual*, commercial development less than 200,000 square feet would typically not result in significant adverse socioeconomic impacts.

As detailed in Chapter 2, “Land Use, Zoning, and Public Policy,” the study area contains a mix of industrial, manufacturing, residential and institutional uses, and vacant land. The most solid concentrations of residential land use can be found to the northwest of the project site; mainly along President, Carroll, and Union Streets. However, throughout the rest of the study area housing is located among a mixture of commercial and industrial uses; there are particular

¹ According to the US Census Bureau, median contract rent is the middle value of the monthly rent agreed to or contracted for, regardless of any furnishings, utilities, fees, meals, or services that may be included. Although median contract rent is not directly comparable to current rental listings, the disparity between the median contract rent in 2000 and current listings indicate that there has been a notable increase in rents.

clusters near the intersection of President Street and 3rd Avenue, and along Smith Street, Hoyt Street and 3rd Avenue.

Non-residential buildings within the study area consist of a mixture of neighborhood retail, art studios, parking lots, institutional facilities and industrial and manufacturing businesses. Overall, most industrial and manufacturing buildings range from one to two stories in height, with a few standing as tall as six stories. South of the project site, fronting the Gowanus Canal, industrial and manufacturing uses are heavier and occupy much larger footprints than those within the eastern portion. Some of these businesses are located within the Southwest Brooklyn IBZ. Businesses that occupy these heavier industrial facilities consist of a Con Edison facility, New York City Department of Transportation (NYCDOT) facility, construction companies, a concrete plant and a recycling business. Lighter uses, occupying smaller footprints are home to businesses such as laundromats, delis and other neighborhood service establishments; though the majority of these lighter industrial uses are primarily related to the construction and manufacturing industry; employing roofers, iron workers, woodworkers, electricians, and contractors. Some of these lighter commercial, manufacturing and industrial businesses located to the north of the project site fall within the IOA boundary.

As shown in Table 3-1, according to ESRI Business Analyst, 2007 estimates indicate the most dominant industry sectors in the study area in 2000 were retail trade (comprising 18.0 percent of all businesses), followed by arts, entertainment, recreation, accommodation and food services (14.2 percent). As shown in Table 3-2, employment in the study area in 2000 was concentrated within the educational, health and social services industry (19.4 percent of all employees); followed by transportation, warehousing and utilities (11.2 percent). The proposed project's direct displacement of businesses and employment would not substantively affect these employment patterns, nor would the project's 2000 square feet of commercial space affect the overall economic activity in the study area. The levels of economic activity displaced and generated by the proposed project would not be enough to alter or accelerate existing economic patterns.

Similarly, the 447 residential units introduced by the project would represent only 2.2 percent of the study area's housing stock, an amount that would not substantively alter economic trends. As described in the preliminary assessment of indirect residential displacement, there is already a well-established residential presence in the study area, and a trend toward increased residential uses.

The proposed project would not directly or indirectly displace uses of any type that directly support businesses in the area or bring people to the area that form the customer base of existing businesses. As previously discussed, the three businesses that exist on the project site consist of a perfume wholesale distributor and warehouse, a truck parking site, and a garment wholesale distributor and warehouse. Because the perfume and garment distributors rely primarily on customers making wholesale purchases, their customer base extends well beyond local residents and neighborhood service retail shops within the study area, and these businesses do not typically attract pedestrian traffic. The third business—a surface area parking lot for truck parking—does not attract people to the study area, and while it may serve businesses in the study area, the service (truck parking) can be found elsewhere and its loss would not jeopardize the viability of any study area businesses.

The proposed project would not displace residents, workers or visitors who form the customer base of existing businesses in the area. The proposed project would not displace any residents, but would directly displace approximately 20 employees. Any loss in consumer spending from

these employees would be minimal as compared to the additional consumer spending generated by the residents and employees of the proposed project.

Overall, the proposed project would not result in significant adverse indirect businesses displacement impacts, and no further analysis is required.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

According to Section 323 of the *CEQR Technical Manual*, it may be possible that a given action could affect the operation and viability of a specific industry (not necessarily tied to the study area). The proposed project would not significantly affect business conditions in any industry or any category of businesses within or outside the study area. The proposed project would not indirectly substantially reduce employment or have an impact on the economic viability in the industry or category of businesses. The proposed project would not result in significant adverse impacts on any specific industries, and no further analysis is required. *