

A. INTRODUCTION

This section describes the socioeconomic changes that could potentially result from the proposed project on the Bronx Site, and assesses whether such changes could result in the potential for significant adverse environmental impacts. As described in the 2014 *City Environmental Quality Review (CEQR) Technical Manual*, the socioeconomic character of an area includes its population, housing, and economic activity. Socioeconomic changes may occur when a project directly or indirectly changes any of these elements. The objective of the CEQR analysis is to disclose whether any of these changes would result in the potential for significant impacts when compared with what could happen in the future without the proposed project (the No Action condition).

In accordance with *CEQR Technical Manual* guidelines, this socioeconomic assessment considers five ways that a project could potentially alter socioeconomic conditions: (1) direct residential displacement; (2) direct business displacement; (3) indirect residential displacement; (4) indirect business displacement; and (5) adverse effects on specific industries.

PRINCIPAL CONCLUSIONS

The following summarizes the analysis findings for each area of socioeconomic concern. As detailed below, the proposed project would not have the potential to result in significant adverse environmental impacts due to changes in socioeconomic conditions.

DIRECT RESIDENTIAL DISPLACEMENT

The Bronx Site at 745 East 141st Street (Block 2574, Lot 1, also referred to herein as the “project site”) currently does not contain any residential dwelling units (DUs). Therefore, the proposed project would not have the potential to result in any direct residential displacement.

DIRECT BUSINESS DISPLACEMENT

The project site does not contain any private businesses that would be directly displaced by the proposed project. The site is currently being used as the site of a public facility, the New York City Police Department’s (NYPD) Bronx Tow Pound. The City intends to relocate the tow pound prior to completion of the proposed detention facility. The relocation of the tow pound would not have the potential to lead to significant adverse indirect socioeconomic effects because the tow pound does not directly support businesses in the area, nor does it bring people to the area that form a customer base for local businesses.

INDIRECT RESIDENTIAL DISPLACEMENT

A preliminary assessment finds that the proposed project would not have the potential to result in significant adverse impacts due to indirect residential displacement. The concern under CEQR in regard to indirect residential displacement is whether a project would introduce a trend or

accelerate a trend of changing socioeconomic conditions that may potentially displace a vulnerable population to the extent that the socioeconomic character of a neighborhood may change. Generally, an indirect residential displacement analysis is conducted only in cases in which the potential impact may be experienced by renters living in privately held units unprotected by rent control, rent stabilization, or other government regulations restricting rents, or whose incomes or poverty status indicate that they may not support substantial rent increases. According to the *CEQR Technical Manual*, potential socioeconomic changes could result if a proposed project would introduce a new population with average household incomes that exceed the average incomes of the study area households. While the proposed project would include a future mixed-use building sponsored by the New York City Department of Housing Preservation and Development (HPD), which could add a new population with a higher average household income as compared with existing study area households, there is a high concentration of rent-regulated housing as well as a readily observable trend toward higher market rents in the study area. According to the 2012–2016 U.S. Census American Community Survey (ACS), median gross rents have been increasing in the study area since 2010. The proposed project is not expected to accelerate these trends because all of the proposed housing would be permanently affordable, and would serve to maintain a more diverse range of household incomes within the study area. In addition, as seen in the neighborhoods surrounding the existing Brooklyn and Manhattan jails, existing detention facilities have not limited the types of economic activity possible in close proximity to detention facility uses; on the contrary, both existing facilities are surrounded by thriving residential and retail corridors.

INDIRECT BUSINESS DISPLACEMENT

A preliminary assessment of indirect business displacement finds that the proposed project would not produce any significant adverse impacts from indirect business displacement due to increased property values or rents, nor would the project introduce a concentration of uses that would offset positive trends within the study area. The proposed project would result in a mix of public facility, affordable residential, and retail uses, all of which are currently found in the study area. The proposed project would also be the first justice and correction facility in the area, so it would not cause an undue concentration of similar facilities. The proposed project would promote positive trends within the study area by developing new community and retail facilities intended to serve both the existing community and new workers and residents introduced by the proposed project. As seen in the neighborhoods surrounding the existing Brooklyn and Manhattan jails, existing detention facilities have not inhibited economic activity within close proximity to detention facility uses; on the contrary, both existing facilities are surrounded by thriving retail and neighborhood shopping corridors. While the project has the potential to result in the indirect displacement of some study area businesses, any displacement would be minimal and similar to trends which are expected to occur in the future without the proposed project. The proposed project would thus not substantially change business conditions within the socioeconomic study area.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

As the proposed project would not have the potential to result in direct business displacement on the project site, and the potential for any indirect business displacement would be limited and not specific to any industry, an assessment of adverse effects on specific industries is not warranted.

B. METHODOLOGY

ANALYSIS FORMAT

Following *CEQR Technical Manual* guidelines, the socioeconomic analysis begins with a screening-level assessment that determines the need for a preliminary assessment. As detailed below in Section C, “Screening Assessment,” the proposed project exceeds thresholds warranting preliminary assessment of two of the five socioeconomic areas of concern: indirect residential displacement; and indirect business displacement.

When warranted, a preliminary assessment is conducted to learn enough about the potential effects of a project to either rule out the potential for significant adverse impacts or determine that a more detailed analysis is required to fully determine the extent of the potential impacts. A preliminary assessment responds to questions based on guidance from the *CEQR Technical Manual*. If the responses to questions indicate there is no potential for significant adverse impacts, further analysis is not warranted. A detailed analysis, when warranted, addresses the same issues of concern, but frames the assessment to more particularly examine the potential for changes to socioeconomic conditions in the future with the proposed project (the With Action condition) as compared with the changes that would be expected in the future without the project (the No Action condition). With respect to the proposed project, a preliminary assessment (presented below in Section D, “Preliminary Assessment”) was sufficient to conclude that the proposed project would not have the potential to result in significant adverse socioeconomic impacts, and no further analysis was warranted.

PROJECT SITE

The Bronx Site is located on the block bounded by East 142nd Street, Southern Boulevard, Bruckner Boulevard, East 141st Street, and Concord Avenue at 745 East 141st Street (Block 2574, Lot 1). The eastern portion of the site would be redeveloped with a new detention facility while western portion would be developed with a future mixed-use building with residential use, ground-floor retail, and community facility space; its address would be 320 Concord Avenue (Block 2574, Lot 1). The site is currently in use as the NYPD Bronx Tow Pound, and contains a small office structure and storage sheds, space for vehicle storage, and is surrounded by a fence and trees.

STUDY AREA DEFINITION

A socioeconomic study area is the area within which a project has the greatest potential to directly or indirectly affect population, housing, and economic activities. A study area typically encompasses a project site and adjacent areas within approximately 400 feet, ¼-mile, or ½-mile radius, depending upon the project size and area characteristics. According to the *CEQR Technical Manual*, the larger ½-mile study area is appropriate for projects that would potentially increase the ¼-mile area population by more than 5 percent. The reasonable worst-case development scenario (RWCDs) for the mixed-use building at the Bronx Site, based on a conceptual design, is assumed to introduce approximately 235 DUs to the site. Under the RWCDs, the proposed project would increase the ¼-mile area population by approximately 700 people, which would represent an approximately 8.2 percent increase in population as a proportion of the current estimated

population of 8,539 residents.¹ Given that this population increment exceeds 5 percent, a larger ½-mile study area is warranted.

Because socioeconomic analyses depend on demographic data, it is appropriate to adjust the study area boundary to conform to the census tract delineation that most closely approximates the desired radius (in this case, a ½-mile radius surrounding the boundary of the project site). For this analysis, the census tracts that comprise the socioeconomic study area are shown in **Figure 2.2-1** and include Census Tracts 27.01, 27.02, 31, 33, 35, 37, and 73, in Bronx Community District 1.

DATA SOURCES

To perform the indirect residential displacement assessment, census tract-level housing and economic data for the study area was obtained from NYC Population FactFinder, a data portal that pulls information from the U.S. Census ACS. County-level housing and economic data for the Bronx and New York City was obtained from the U.S. Census ACS. Study area market-rate asking rents were researched using StreetEasy, an online real estate listing site. Other rental trends were researched using online rental listing portal Zumper. To perform the indirect business displacement assessment, census tract-level New York State Department of Labor (NYSDOL) Quarterly Census of Employment and Wages (QCEW) business and employment data for the third quarter 2016 were obtained from the New York City Department of City Planning (DCP) Housing, Economics, and Infrastructure Planning (HEIP) Division. QCEW data on Bronx County and New York City were gathered by AKRF, Inc. for the third quarter of 2016. Additional primary data related to land use and economic activity was collected using MapPLUTO and during field surveys of the study area conducted by AKRF in August of 2018.

C. SCREENING ASSESSMENT

According to the *CEQR Technical Manual*, a socioeconomic assessment should be conducted if a project may be reasonably expected to create socioeconomic changes in the area affected by the project that would not be expected to occur in the absence of the project. This screening assessment presents the *CEQR Technical Manual* threshold circumstances (numbered in bold italics) that can lead to socioeconomic changes warranting further analysis, and compares those thresholds with the proposed project's RWCDs.

1. DIRECT RESIDENTIAL DISPLACEMENT

Would the proposed project directly displace residential population to the extent that the socioeconomic character of the neighborhood would be substantially altered? Displacement of fewer than 500 residents would not typically be expected to alter the socioeconomic character of a neighborhood.

The project site is current in use as the NYPD Bronx Tow Pound and does not contain any residential DUs. Therefore, the proposed project would not directly displace a residential population, and no further assessment of this concern is warranted.

¹ Estimates of the residential population resulting from the proposed project are based on the 2012–2016 ACS average household size for Bronx Community District 1 of 2.98 persons per household.



Socioeconomic Study Area
Bronx Site - 745 East 141st Street
Figure 2.2-1

2. DIRECT BUSINESS DISPLACEMENT

Would the proposed project directly displace more than 100 employees, or would it displace any business that is unusually important because its products or services are uniquely dependent on its location, are subject to policies or plans aimed at its preservation, or that serves a population uniquely dependent on its services in its present location?

The project site is currently in use as the NYPD Bronx Tow Pound, which contains a small office structure and storage sheds, and space for vehicle storage. It does not, however, contain any private businesses. The City intends to relocate the tow pound to another site prior to the completion of the proposed project. This relocation would be subject to a separate Site Selection process, and analysis of the new facility would be conducted when a new site for the facility is determined. The relocation of the tow pound would not have the potential for significant adverse socioeconomic impacts on the study area because the tow pound does not directly support businesses in the area, nor does it bring people to the area that form a customer base for local businesses. Therefore, no further assessment of this concern is warranted.

3. INDIRECT RESIDENTIAL AND BUSINESS DISPLACEMENT

Would the proposed project result in substantial new development that is markedly different from existing uses, development, and activities within the neighborhood? Residential development of 200 units or less or commercial development of 200,000 square feet or less would typically not result in significant socioeconomic impacts.

The proposed project is assumed to result in the development of 235 DUs, 35 units over the 200-unit threshold. Additionally, while the proposed project would introduce approximately 28,500 gross square feet (gsf) of commercial (retail) development (13,000 gsf in the proposed detention facility and 15,500 gsf in the future mixed-use building)—which is less than the 200,000-gsf threshold warranting a preliminary assessment—it would introduce ~~1,270,000~~ 1,100,000 gsf of new public detention facility. The size and scale of the new public detention facility use, as well as the addition of new DUs, warrant a preliminary assessment of two socioeconomic areas of concern: indirect residential and business displacement.

4. ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

Is the proposed project expected to affect conditions within a specific industry? This could affect socioeconomic conditions if a substantial number of workers or residents depend on the goods or services provided by the affected businesses, or if the project would result in the loss or substantial diminishment of a particularly important product or service within the city.

As the proposed project would not have the potential to result in direct business displacement on the project site, and as discussed in “D. Preliminary Assessment,” the potential for any indirect business displacement would be limited and not specific to any industry, an assessment of adverse effects on specific industries is not warranted.

Based on the screening assessment presented above, the proposed project warrants preliminary assessments of indirect residential displacement and indirect business displacement.

D. PRELIMINARY ASSESSMENT

INDIRECT RESIDENTIAL DISPLACEMENT

As described in the *CEQR Technical Manual*, indirect residential displacement usually results from substantial new development that is markedly different from existing uses and activity in an area, and which can lead to increased property values in the area. Increased property values can lead to increased rents, which can make it difficult for some existing residents to remain in their homes.

Generally, an indirect residential displacement analysis is conducted in cases in which the potential impact may be experienced by renters living in privately held DUs unprotected by rent control, rent stabilization, or other government regulations restricting rents, and whose incomes or poverty status indicate that they may not withstand substantial rent increases. According to the *CEQR Technical Manual*, residents who are homeowners, or renters living in rent-restricted DUs, would not be vulnerable to rent pressures as defined under CEQR. The assessment follows the *CEQR Technical Manual's* three-step preliminary assessment criteria (in bold italics).

Step 1. Determine if the proposed project would add new population with higher average incomes compared to the average incomes of the existing populations and any new population expected to reside in the study area without the projects.

EXISTING CONDITIONS

Household income characteristics for the study area population are described using the average and median household incomes. The average household income is calculated by dividing the aggregate income of the households within the study area by the total number of households in the study area. The presence of high-income households raises the average income, sometimes substantially higher than the median household incomes in the study area. The median household income represents the mid-point of all household incomes in the study area.

As **Table 2.2-1** illustrates, the average household income of study area residents was \$32,284 in 2006–2010 and \$31,581 in 2012–2016. The median household income was \$22,794 in 2006–2010 and \$21,245 in 2012–2016. The study area's average and median household income is lower than that of the Bronx and New York City. The relatively high portion of lower-income households in the study area is due to the presence of NYCHA housing and other publicly assisted rental units in the study area. While there was no statistically significant change in household incomes in the study area, during the same time period, both average and median household incomes increased in the Bronx and New York City over the same period.

Table 2.2-1

Household Income Characteristics (2006–2010, 2012–2016 ACS)^{1,2}

Area	Total Households		Average Household Income		Median Household Income	
	2006–2010	2012–2016	2006–2010	2012–2016	2006–2010	2012–2016
Socioeconomic Study Area	6,622	7,068	\$32,284	\$31,581	\$22,794	\$21,245
Bronx	472,464	490,740	\$47,325	\$51,445	\$34,264	\$35,302
New York City	3,047,249	3,128,246	\$77,897	\$88,437	\$50,293	\$55,431
Notes: ¹ All dollar figures are reported in 2016 inflation-adjusted dollars. ² The statistical reliability of the data included in this table has been vetted using DCP's NYC Population FactFinder and by following guidance provided by DCP. For the study area's household income data, the rate of change and directionality of change were not statistically reliable and therefore not reported. For the estimate of the number of households in the study area, the rate of change was not statistically reliable and therefore not reported, but the directionality of change was reliable and therefore reported. For the Bronx and New York City's data, the directionality of change were statistically reliable and therefore reported. The rate of change was also statistically reliable and reported where applicable, except for median income data for the Bronx, which was not reported.						
Sources: 2006–2010 ACS and 2012–2016 ACS, as reported in DCP's NYC Population FactFinder: https://popfactfinder.planning.nyc.gov/profile/8632/demographic						

According to **Table 2.2-2**, median gross rents increased in the study area from \$667 in 2006–2010 to \$875 in 2012–2016. Median gross rents also increased in the Bronx (by approximately 19.0 percent) and in New York City (by approximately 20.8 percent).

Table 2.2-2

Median Gross Monthly Rent (2006–2010, 2012–2016 ACS)^{1,2}

Area	2006-2010	2012-2016	Percent Change
Socioeconomic Study Area	\$667	\$875	↑ Increased
Bronx	\$923	\$1,098	19.0
New York City	\$1,071	\$1,294	20.8
Notes: ¹ All dollar figures are reported in 2016 inflation-adjusted dollars. . ² The statistical reliability of the data included in this table has been vetted using DCP's NYC Population FactFinder and by following guidance provided by DCP. For the study area's rent data, the rate of change was not statistically reliable and therefore not reported, but the directionality of change was reliable and therefore reported. For the Bronx and New York City's data, the rate of change was statistically reliable and therefore reported.			
Sources: 2006–2010 ACS and 2012–2016 ACS, as reported in DCP's NYC Population Factfinder: https://popfactfinder.planning.nyc.gov/profile/8632/demographic			

THE FUTURE WITHOUT THE PROPOSED PROJECT

Project Site

In the No Action condition, no new population will be added to the project site by the ~~2027~~ 2026 build year.

Study Area

By the ~~2027~~ 2026 build year, approximately 901 units will be built in the study area. All of the planned developments will contain either affordable units, supportive housing units, or senior housing units. For example, a planned 13-story, 169-unit residential building at 869 East 147th Street will be 100 percent affordable and 46 units will be set aside for formerly homeless families. Another 9-story mixed-use building at 570 East 137th Street will set aside all 159 residential units for seniors. In addition to residential development in the No Action condition several mixed-use developments are anticipated to be constructed in the study area, including the 275,000 sf Union Crossing development.

THE FUTURE WITH THE PROPOSED PROJECT

In the With Action condition, the proposed project would introduce ~~an increment of 235 DUs over the No Action condition~~ 235 incremental dwelling units within the study area. These units would be affordable and rent-regulated in perpetuity. The specific affordability levels for this development have not yet been determined. For purposes of a conservative analysis and based on recent City practice, it is assumed that the City would set aside 70 percent of the residential floor area (approximately 165 DUs) for renters making below 80 percent of the Area Median Income (AMI), and would set aside the remaining 30 percent of residential floor area (approximately 70 DUs) for renters making above 80 percent of the AMI. Given these expected levels of affordability, the proposed project would introduce households with incomes above that of the study area average of \$31,581. The average annual household income for a family of three making 80 percent of AMI is \$75,120.² Given the low study area household income and the affordability levels being contemplated, analyzed, it is likely that the project-generated household income would be greater than the study area income of households within the study area.

According to the *CEQR Technical Manual*, if the expected average incomes of the new population could exceed the average income of the study area population, then Step 2 of the analysis should be conducted.

Step 2. Determine if the project's increase in population is large enough relative to the size of the population expected to reside in the study area.

According to the 2012–2016 ACS data, the study area had a population of 21,577. This represents an increase from the population reported in the 2006–2010 ACS data, which was 20,008 (see **Table 2.2-3**). In comparison, over the same time period the population of the Bronx increased by 5.2 percent and the population of New York City increased by 4.7 percent.

² The AMI for a three-person family was utilized in this analysis because the average household size within Bronx CD 1, where the project is located, is 2.98 persons.

Table 2.2-3

Study Area Population Estimates and Projections¹

	2006–2010 ACS	2012–2016 ACS	Percent Change 2006–2010 to 2012–2016 ACS	2027 2026 No Action Condition Population ²
Study Area	20,008	21,577	↑ Increased	23,490
Bronx	1,365,725	1,436,785	5.2	N/A
New York City	8,078,471	8,461,961	4.7	N/A
Notes: 1. The statistical reliability of the data included in this table has been vetted using DCP's NYC Population FactFinder and by following guidance provided by DCP. For the study area, only the directionality of change over time was statistically reliable. For Manhattan and New York City, the rate of change and the directionality of change were statistically reliable and therefore reported. 2. The year 2027 <u>2026</u> population projection is based on no build projects and the average household size for Bronx CD 1 of 2.98 persons per DU.				
Sources: 2006–2010 ACS and 2012–2016 ACS, as reported in DCP's NYC Population FactFinder: https://popfactfinder.planning.nyc.gov/profile/8632/demographic				

As detailed in Section 2.1, “Land Use, Zoning, and Public Policy,” several development projects are expected in the future without the proposed project. Based on information about these planned projects, absent the proposed project, 901 DUs are projected to be built within the study area by the ~~2027~~ 2026 build year. Assuming an average household size of 2.98 persons per DU and 100 percent occupancy rates, these planned development projects would add an estimated 2,685 people to the study area. **Table 2.2-4** presents the total projections in the future without the proposed project by adding the population from the No Build projects to the 2012–2016 population estimates.

Table 2.2-4

Projected Incremental Population by ~~2027~~ 2026 With the Proposed Project

	2027 <u>2026</u> Population Projections in the Future No Action Condition	Number of Incremental DUs with Proposed Project	Incremental Population with Proposed Project	2027 <u>2026</u> Population Projections in the Future With Action Condition	Percent Change in Population between No Action and With Action Conditions
Study Area	24,262	235 <u>234</u>	700 <u>697</u>	24,962 <u>59</u>	2.9
Note: Year 2027 <u>2026</u> population projection based on no build projects and an average household size of 2.98 persons per DU.					

Under the proposed project and its associated RWCDs, by ~~2027~~ 2026 there would be a total of 235 incremental DUs on the proposed development site. These 235 DUs represent the net increase in DUs resulting from the proposed project. With an average household size of 2.98 persons per DU, the added population would be approximately 700 people. **Table 2.2-4** shows the new population relative to the population in the future without the proposed project.

According to *CEQR Technical Manual* analysis thresholds, if the population increase is greater than 5.0 percent in a study area or identified subareas, the incremental population may be large enough to affect real estate market conditions, and Step 3 of the preliminary assessment is warranted. By adding a 700-person increment to the study area, the proposed project would

increase the population by approximately 3.0 percent. While the incremental population resulting from the proposed project would not represent a 5 percent population increase in the ½-mile study area, it would represent an approximately 6.7 percent population increase in the ¼-mile area. Therefore, Step 3 was conducted to consider potential effects in this more immediate geography.

Step 3. Consider whether the study area has already experienced a readily observable trend toward increasing rents and the likely effect of the action on such trends.

The study area has experienced an observable trend toward increasing rental housing prices. As shown in **Table 2.2-2**, median gross rents have been increasing in the study area since 2006–2010. Median gross rents have also been increasing in the Bronx and New York City more generally, by 19.0 and 20.8 percent, respectively. Additionally, according to data on the current average asking rents for unregulated housing, as presented in **Table 2.2-5**, available market-rate asking rents in the study area are currently unaffordable to low- to moderate-income households, including existing households earning the study area’s average income of \$31,581.³

Table 2.2-5
Average Monthly Asking Rents in the Study Area

	Studio	One-Bedroom	Two-Bedrooms	Three-Bedrooms
Socioeconomic Study Area	\$1,750	\$1,800	\$1,900	\$2,320
Notes: Average monthly asking rents are based on real estate listings of 22 DUs located within the study area. These rents are higher than the 2012–2016 ACS estimate of median gross rent (\$875) due in large part to the fact that the ACS estimate includes rent-regulated units.				
Sources: Streeteasy (https://streeteasy.com/) Accessed August and September 2018.				

Assuming that 30 percent of household income is spent on rent⁴ and that the mix of DU types found in the proposed HPD-sponsored, future mixed-use building would be similar to the current distribution of market-rate units within the study area,⁵ the annual household income required to affordably rent a two-bedroom DU is estimated to be \$76,000, while a three-bedroom DU would require an annual household income of \$93,000, as shown in **Table 2.2-6**.

³ Affordability is defined as annual rental rates being less than 30 percent of annual income. An “unaffordable” unit would be a unit that costs more than 30 percent of study area annual income.

⁴ Based on HUD affordable rent guidelines

⁵ Using ACS 2012-2016 estimates of numbers of bedrooms in renter-occupied DUs, the unit mix breakdown for the study area is 542 (10 percent) studios, 134 (3 percent) one bedrooms, 1,591 (30 percent) two bedrooms, and 2,950 (57 percent) 3 bedrooms, representing a total of 5,217 renter-occupied studio, 1-, 2-, and 3-bedrom units.

Table 2.2-6

Imputed Household Income by DU Type/Average Rental Rates

	Monthly Rent¹	Estimated Monthly Income (Market-Rate Renters)	Estimated Yearly Income² (Market-Rate Renters)
Studio	\$1,750	\$5,833	\$70,000
1-bedroom	\$1,800	\$6,000	\$72,000
2-bedroom	\$1,900	\$6,333	\$76,000
3-bedroom	\$2,320	\$7,733	\$93,000
Notes: ¹ Represents the average monthly market-rate rent based on August-September 2018 market listings. ² Household incomes were imputed using the HUD 30 percent guideline described above and rounded to the nearest thousand dollars.			
Sources: Rents researched using StreetEasy (http://streeteasy.com) accessed August 2018.			

Beyond gross rent data from the U.S. Census and current 2018 rental prices, online real estate databases also report increasing rents in the south Bronx neighborhoods of Port Morris and Mott Haven. According to Zumper's November 2017 rental report, Port Morris and Mott Haven rents increased by approximately 12 percent and 9 percent, respectively, since the previous quarter.⁶

As compared with the No Action condition where some affordable and supportive housing would occur within the ½-mile study area, the With Action condition would result in an incremental increase in the development of additional affordable housing.

While the proposed project would generate populations with average household incomes that are higher than that of the existing study area residents' average household income, as all proposed units would be affordable, it is not expected that the introduction of these units would put pressure on existing study area populations. There are over 100 properties in the study area that are either NYCHA buildings or properties that receive some other form of federal or city public assistance⁷ protecting rent levels. There is also already an existing trend of increasing median gross rents in the study area. The proposed project is not expected to accelerate these trends because all of the proposed DUs would be affordable to low-, moderate-, and/or middle-income residents. In this respect, the proposed project could serve to maintain a more diverse range of incomes within the study area. In addition, the introduction of the proposed project is not expected to deter residential investment. As seen in the neighborhoods surrounding the existing Brooklyn and Manhattan jails, existing detention facilities have not limited the types of economic activity possible in close proximity to detention facility uses; on the contrary, both of these existing facilities are surrounded by thriving residential and retail corridors. Increasing development pressure in the No Action and With Action conditions could make residential development within the ½-mile study area vulnerable to indirect displacement due to increased commercial activity. However any potential residential displacement would be minimal and limited to residential uses which could be redeveloped as a commercial use as of right.

⁶ <https://www.zumper.com/blog/2017/10/new-york-city-neighborhood-rent-prices-mapped-fall-2017/>.

⁷ <http://coredata.nyc/>.

CONCLUSION

While Step 1 of the preliminary assessment would not rule out the possibility that the proposed project would have the potential to result in new populations with higher average incomes than the existing and future study area population, and Step 2 of the analysis determined that the project's increase in population could be large enough to affect real estate market conditions in the ¼-mile portion of the study area, Step 3 found that the study area has already experienced a readily observable trend toward increasing housing prices and commercial development in the No Action condition. As in the No Action condition, in the With Action condition, increased demand for commercial activity could result in the indirect displacement of residential sites which can be redeveloped as commercial or industrial uses as of right. However as discussed in the indirect business displacement analysis a substantial portion of potential new consumer expenditure in the With Action condition is expected to be met by the 28,500 gsf of retail proposed for the project site. Further tThe proposed project would introduce permanently affordable housing that would serve to maintain a more diverse range of incomes within the study area. Therefore, based on *CEQR Technical Manual* guidelines, the proposed project would not have the potential to result in significant adverse impacts due to indirect residential displacement, and no further analysis is warranted.

INDIRECT BUSINESS DISPLACEMENT

As described in the *CEQR Technical Manual*, indirect business displacement focuses on whether a proposed project would have the potential to result in a change in socioeconomic conditions that would have the potential to result in the involuntary displacement of business or employees. Changes in socioeconomic conditions might include a change in property values and rents within the study area. The preliminary analysis follows the methodology of the *CEQR Technical Manual*.

EXISTING CONDITIONS

The economic activities of the socioeconomic study area, which is located in the Port Morris neighborhood of the South Bronx, largely fall into the industrial or retail use categories. Immediately surrounding the project site are several industrial facilities including a pipe fabrication shop, a roofing/waterproofing shop, and a sheet metal shop. Empty lots, an auto repair shop, an auto security shop, two self-storage facilities, a restaurant, and a lumber supply shop are also present in the nearby vicinity. The remainder of the ½-mile study area is characterized by more retail and industrial uses, as well as vacant lots and storefronts. A mix of retail and industrial activities can be found along Jackson Avenue, where a gas station, a deli, a lumber supply store, a plumbing shop, a cell phone store, and a halal live meat market are all adjacent to one another. Retail also exists along ~~Msgr. Gerald J. Ryan Boulevard~~ 138th Street.

The project site and portions of the study area are located within the Port Morris Industrial Business Zone (IBZ), one of five IBZs in the Bronx.⁸ In 2006, IBZs were established throughout the five boroughs to protect existing manufacturing districts and encourage industrial growth citywide. Policy instruments to facilitate these goals include expanded business services for industrial and manufacturing businesses, tax credits for relocations to IBZs, zone-specific planning efforts, and other direct business assistance.

⁸ https://www.nycedc.com/sites/default/files/filemanager/All_Ratified_IBZs_Fall_2013.pdf.

Port Morris is the home of the City's first mixed-use district, which was created in 1997. The Port Morris Special District, which is located directly to the south of the socioeconomic study area, was established to be a catalyst for the creation of new ground-floor retail and exhibit spaces. In 2005, the Port Morris/Bruckner Boulevard Rezoning expanded the boundaries of the Port Morris Special District. In addition to the expansion, the rezoning aimed to better reflect the current mixed-use character of the area, bring new uses to underutilized buildings and land, focus on improved waterfront access, and create a vibrant, 24/7 neighborhood.

Profile of Private Employment in the Socioeconomic Study Area

As of 2016, there were an estimated 1,905 private sector employees in socioeconomic study area (see **Table 2.2-7**). These employees represent approximately 10.7 percent of private sector employment in the Bronx and 0.1 percent of private sector employment in New York City overall.

The economic sector with the most private sector employees in the socioeconomic study area was the Retail Trade sector, representing approximately 22.7 percent of total private sector employment. This is substantially higher than the percentage of employees working in the private Retail Trade sector in the Bronx and New York City as a whole, where 13.3 percent and 9.5 percent of private employees, respectively, are employed in this sector,. As noted above, retail, along with industrial, is one of the most prominent uses found in the study area. Delis and groceries, a fishmonger, a Chinese restaurant, a Thai restaurant, a Mexican restaurant, a gas station, a beauty salon, a liquor store, and a dollar store can all be found within the study area's boundaries. The closest concentration of retail activities to the project site can be found along ~~Msgr. Gerald J. Ryan Boulevard~~ 138th Street.

The second largest economic sector of private employment is Construction, with approximately 12.0 percent of the study area's private sector employment (229 workers). The percentage of workers employed in the Construction sector is also higher in the study area than it is in the Bronx as a whole or New York City as a whole, where this sector accounts for 4.8 percent and 4.0 percent of private sector employment, respectively. The study area has less private sector employment in the Health Care and Social Assistance sector compared with the Bronx and New York. The Health Care and Social Assistance sector is a significant private sector employer in the Bronx (where it accounts for 38.5 percent of total private sector employment) and New York City as a whole (where it accounts for 18.5 percent of total private sector employment) but represents a more modest 10.4 percent of private sector employment within the study area.

Table 2.2-7

**2016 Private Employment in Socioeconomic Study Area,
Bronx, and New York City**

	Socioeconomic Study Area		Bronx		New York City	
	Employees	%	Employees	%	Employees	%
Agriculture, Forestry, Fishing, and Hunting	X ¹	N/A	15	0.0	298	0.0
Mining	X	N/A	X	N/A	17	0.0
Utilities	X	N/A	X	N/A	5,193	0.1
Construction	229	12.0	11,251	4.8	146,050	4.0
Manufacturing	209	11.0	6,075	2.6	75,051	2.1
Wholesale Trade	173	9.1	11,223	4.8	134,907	3.7
Retail Trade	432	22.7	31,378	13.3	341,870	9.5
Transportation and Warehousing	89	4.7	7,475	3.2	111,939	3.1
Information	X	N/A	2,577	1.1	179,157	5.0
Finance and Insurance	X	N/A	4,167	1.8	330,820	9.2
Real Estate, Rental, and Leasing	162	8.5	9,767	4.1	127,935	3.5
Professional, Scientific, and Tech Services	X	N/A	4,048	1.7	396,917	11.0
Management of Companies and Enterprises	X	N/A	967	0.4	66,920	1.9
Administrative and Support and Waste Management and Remediation	13	0.7	8,459	3.6	225,114	6.2
Educational Services	109	5.7	14,573	6.2	166,750	4.6
Health Care and Social Assistance	199	10.4	90,680	38.5	669,489	18.5
Arts, Entertainment, and Recreation	X	X	4,538	1.9	85,035	2.4
Accommodation and Food Services	73	3.8	17,666	7.5	353,384	9.8
Other Services (except Public Administration)	141	7.4	9,386	4.0	172,360	4.8
Unclassified	X	X	1,248	0.5	24,105	0.7
Total	1,905	100	235,493	100	3,613,311	100
Notes: 1“X” indicates that the data cannot be disclosed or the sector does not exist in the geographic area. Sources: NYSDOL QCEW, 3Q 2016; NYSDOL QCEW, 3Q 2016 data was provided at the census tract level for the socioeconomic study area by DCP HEIP Division (August 2018).						

Profile of Private Businesses in the Socioeconomic Study Area

As of 2016, there were an estimated 243 private sector businesses within the socioeconomic study area (see **Table 2.2-8**). The private industry sector with the greatest number of private sector businesses was Retail Trade with 69 private businesses representing 28.4 percent of total private sector businesses in the study area. The proportion of Retail Trade businesses in the study area was higher than in the Bronx and New York City as a whole. The second most prevalent private industry sector in the study area were “Real Estate, Rental, and Leasing” and “Other Services (except public administration)”, which each had 25 private businesses representing 10.3 percent

Table 2.2-8

**2016 Private Businesses in Socioeconomic Study Area,
Bronx, and New York City**

	Socioeconomic Study Area		Bronx		New York City	
	Firms	%	Firms	%	Firms	%
Agriculture, Forestry, Fishing, and Hunting	X ¹	N/A	4	0.0	48	0.0
Mining	X	N/A	X	N/A	8	0.0
Utilities	X	N/A	X	N/A	31	0.0
Construction	18	7.4	1,133	6.4	13,860	5.2
Manufacturing	12	4.9	336	1.9	5,693	2.2
Wholesale Trade	17	7.0	625	3.5	14,858	5.6
Retail Trade	69	28.4	3,767	21.2	33,246	12.6
Transportation and Warehousing	10	4.1	353	2.0	5,027	1.9
Information	X	N/A	79	0.4	6,590	2.5
Finance and Insurance	X	N/A	502	2.8	12,158	4.6
Real Estate, Rental, and Leasing	25	10.3	2,063	11.6	21,412	8.1
Professional, Scientific, and Tech Services	X	N/A	763	4.3	30,138	11.4
Management of Companies and Enterprises	X	N/A	46	0.3	1,439	0.5
Administrative and Support and Waste Management and Remediation	6	2.5	607	3.4	11,655	4.4
Educational Services	3	1.2	298	1.7	4,149	1.6
Health Care and Social Assistance	17	7.0	2,252	12.7	23,299	8.8
Arts, Entertainment, and Recreation	X	N/A	126	0.7	5,793	2.2
Accommodation and Food Services	17	7.0	1,732	9.8	22,356	8.5
Other Services (except Public Administration)	25	10.3	2,077	11.7	36,444	13.8
Unclassified	X	N/A	966	5.4	15,921	6.0
Total	243	100	17,729	100	264,125	100
Notes: "X" indicates that the data cannot be disclosed or the sector does not exist in the geographic area. Sources: NYSDOL QCEW, 3Q 2016; NYSDOL QCEW, 3Q 2016 data was provided at the census-tract level for the socioeconomic study area by DCP HEIP Division (August 2018).						

of total study area private sector businesses (approximately 20.6 percent cumulatively). The proportion of private businesses in the Real Estate, Rental, and Leasing sector within the study area was lower than in the proportion of those businesses within Bronx, but slightly higher than the proportion of those businesses within New York City overall. The proportion of Other Services (except public administration) private sector businesses within the study area was lower than in both the Bronx and in New York City overall. Many private sector businesses do not have a statistically significant presence in the study area. These sectors include Agriculture, Forestry, Fishing, and Hunting, Mining, Utilities, Information, Finance and Insurance, Professional, Scientific, and Tech Services, Management of Companies and Enterprises, Arts, Entertainment, and Recreation, and Unclassified.

THE FUTURE WITHOUT THE PROPOSED PROJECT

In the No Action condition, a combination of existing zoning designations and neighborhood plans and future development trends will work together to maintain the current mix of retail and industrial activity present in the study area.

No new construction is anticipated on the project site, but new construction is anticipated in the study area. Union Crossing, an eight-story building east of the project site, will bring 275,000 gsf of modern office and retail space to the Port Morris, Mott Haven, and Hunts Point neighborhoods of the South Bronx. Several other mixed-use developments are planned to be developed by or before the ~~2027~~ 2026 build year will also bring a mix of retail, community facility, education, and social services spaces along with new residential development to the study area.

Though retail, community facility, education, and social services uses currently exist in the study area, the addition of a large commercial office space will introduce a use that is not prominent in the socioeconomic study area. The introduction of additional office at Union Crossing and residential uses within the study area will generate additional demand for personal services and other customer-focused retail within the study area in the future without the proposed project.

The area immediately to the north of the study area, between 144th Street and 165th Street, and between Harlem River and St. Ann's Avenue, is set to undergo a \$10 million revitalization after winning a New York State Downtown Revitalization Initiative (DRI) Award in September 2017.⁹ The award will be used to renovate existing cultural and recreational centers and streetscapes, and invest in the creation of a public plaza for vendors and a Business Improvement Fund for small business owners and property owners to renovate their business, thereby supporting the businesses that already exist in the area.

THE FUTURE WITH THE PROPOSED PROJECT

In the With Action condition, it is anticipated that a ~~1,270,000~~ 1,100,000-gsf, ~~1,437~~ 1,150-bed detention facility with accessory parking, court facilities, and community facility and/or retail space would be built on the eastern portion of the project site, as well as a 209,025-gsf mixed use building with 31,000 gsf of ground-floor retail and community facility use and 235 DUs on the western portion of the project site. The City intends to relocate the existing tow pound on the site prior to completion of the proposed detention facility. This relocation would be subject to a separate Site Selection process, and analysis of the new facility would be conducted when a new site for the facility is determined. The assessment below considers whether these additions could create conditions that change commercial property values, affect customer bases for existing businesses, and alter land use patterns, which could in turn contribute to indirect business displacement.

- 1. Would the proposed project introduce a trend that increases commercial property values, making it difficult for businesses essential to the local economy—or a business that is the subject of regulations or publicly adopted plans to preserve, enhance, or otherwise protect it—to remain in the study area?***

The proposed project would introduce new public facility, residential, community facility, and retail uses. The residential uses would include all affordable units, and the public facility uses would include a public detention facility. The introduction of the public detention facility could

⁹ <https://www.amny.com/news/south-bronx-revitalization-1.19744752>.

increase the demand for legal support services (i.e., lawyer's offices and bail bond agents) near the project site, as these types of services tend to collocate with detention facilities. The proposed project's residents, workers, and visitors would generate further additional consumer activity within the study area, a substantial portion of which is expected to be met by the 28,500 gsf of retail proposed for the site. The additional consumer demand also could be met by new businesses that may open in the future without the proposed project due to the planned office and residential development within the study area, as well as existing businesses in proximity to the project site. While it is possible that consumer demand generated by the proposed project could have the potential to spur additional commercial investment, the proposed project would not introduce a new trend that would increase commercial property values in the study area. As discussed and shown in **Tables 2.2-7, 2.2-8, and 2.2-9**, the broader socioeconomic study area has well-established residential and retail uses; additional residential, retail, and community facility space is planned for the area and a planned project will introduce commercial office space to the study area. However, the introduction of the project's public detention facility would likely increase the demand for support services specific to the detention facility (e.g., lawyers' offices and bail bond agents) near the project site.

Table 2.2-9
Existing Land Uses and Incremental Land Uses in the With Action Condition

Use	Existing Amount in Socioeconomic Study Area	Incremental Amount Introduced in the With Action Condition
Residential	7,930,780 gsf (8,583 DU)	178,000 gsf (235 DU)
Commercial (retail)	389,453 gsf	28,500 gsf ¹
Notes: For analysis purposes, it is assumed that the detention facility would contain approximately 13,000 gsf of retail and 27,000 gsf of community facility space. In addition, it is assumed that 15,500 gsf will be allocated for retail use and 15,500 gsf will be allocated for community facility use in the future mixed-use building. The total With Action condition retail floor area is comprised of 15,500 gsf of retail in the mixed-use building and 13,000 gsf of retail in the detention facility.		
Sources: DCP, MapPLUTO v18.1, Accessed September 2018.		

The proposed project's contribution to trends is expected to be limited in nature because much of the project's consumer demand is expected to be met by existing retail, retail uses planned or to be developed in the future without the proposed project, and the proposed project's retail component. If the proposed project's incremental consumer demand—and in particular the demand for detention-related support services, which would not exist in the study area in the future without the proposed project—were to lead to the indirect displacement of existing industrial businesses, it would not have the potential to be considered significant or adverse. Potentially vulnerable industrial businesses within close proximity to the project site do not provide products or services that are uniquely dependent on their location; these businesses and their associated employees could relocate to other areas within the City, including locations within the Port Morris IBZ or elsewhere in the South Bronx. As any potential business displacement would be limited, the proposed project would not substantially indirectly reduce employment within the study area and it would not adversely affect the ability to maintain and promote a concentration of industrial businesses within the Port Morris IBZ.

Similarly, the influence on property values of the new retail introduced by the proposed project would be limited by its size. According to the *CEQR Technical Manual*, commercial development of 200,000 square feet or less would typically not have the potential to result in significant socioeconomic impacts. The 28,500 gsf of retail introduced by the proposed project would thus

not be large enough to have the potential to introduce a new trend of increasing commercial property values, which could in turn make it difficult for existing businesses to remain in the study area.

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

The proposed project would not directly displace uses that offer critical support services to local businesses, or that draw a substantial customer base to the study area. As noted in the screening-level assessment of direct business displacement, the proposed project would involve the relocation of the NYPD Bronx Tow Pound. Individuals visiting the tow pound do not form a customer base for local businesses within the study area, nor is the tow pound relied upon exclusively for services by other business establishments in the study area. Therefore, the potential displacement of this public facility would not have the potential for a significant adverse effect on the remaining businesses or consumers in the study area.

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

The proposed project would not directly or indirectly displace residents, workers, or visitors who form a substantial portion of the customer base of existing businesses in the study area. While there could be a limited number of study area workers indirectly displaced from potentially vulnerable industrial businesses, the proposed project would have the potential to result in a net increase in consumer activity. In the future with the proposed project, the potential customer base for businesses within the study area would be expanded due to the introduction of approximately ~~2,500~~ 2,215 new daily potential customers, including approximately 700 residents; ~~700~~ 655 staff and workers at the detention facility and at the retail and community facility space, and court facilities; and ~~1,000~~ 860 visitors including lawyers, service providers, detainee family members, court facility visitors, and other visitors (see **Appendix C**).

4. Would the proposed project alter land use patterns such that it offsets positive trends in the area, impedes efforts to attract investment to the area, or creates 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 of disinvestment. The project site's current underutilization as a tow pound does not promote economic activity in the surrounding area. In comparison, the proposed project would create new investment within the study area including new affordable housing, new retail, and new, neighborhood-facing community facility space within the study area. Existing industrial businesses' consumer base would be less affected by customer concerns about an adjacent detention facility use, and existing facilities in the City have not hindered commercial investment. As seen in the neighborhoods surrounding the existing Brooklyn and Manhattan jails, both communities around the existing Brooklyn and Manhattan detention centers have thriving local neighborhood retail corridors, and both neighborhoods have seen increased residential and commercial development. Additional legal support services are anticipated to locate in proximity to the proposed site, contributing to the business activity within the study area; however the concentration of these businesses would be limited and part of the larger mix of commercial activities anticipated to be located within the study area. As discussed in more detail in Section 2.15 "Construction-Bronx," the proposed project may result in temporary parking lane closures during the construction period; however, none of these activities would be in close proximity to local commercial businesses and would not have the potential to negatively

affect their ability to operate. Further, once the detention facility is operational, daily movement of New York City Department of Correction vehicles and other activities are unlikely to interrupt the operations of local commercial businesses, as primary loading and unloading would occur in an alley between the proposed detention facility and the proposed future mixed-use building, limiting potentially disruptive on-street activity.

The addition of new residents and visitors to the project site could expand the customer bases of existing businesses in the study area, while the new retail and detention facility would create new job opportunities within the community. Furthermore, while the scale of the proposed project is substantial the proposed project would be designed and built to relate to the surrounding community, minimizing potential negative visual presence within the neighborhood. Specifically, the proposed project would incorporate active ground-floor uses, interior waiting areas for visitors, and streetscape improvements including new landscaping and lighting. The tallest portion of the development would be located at the eastern end of the project site near the large Bruckner Expressway (I-278) viaduct and large-footprint industrial buildings located along the highway, thereby limiting the impact on existing residential development and the pedestrian experience in the western portion of the study area. Therefore, the proposed project is not anticipated to adversely affect the neighborhood housing market.

CONCLUSION

While the project has the potential to result in the indirect displacement of some study area businesses, particularly those in close proximity to the proposed project site, and those that provide services not utilized by future residents, or visitors to the project site. Any displacement would be minimal and similar to trends that are likely to occur in the future without the proposed project. The proposed project would introduce uses and economic activities already found within the broader study area. The proposed project would invest in the study area by adding to the affordable housing stock in the area, as well as introduce new retail and community facility space. This preliminary assessment finds that the proposed project would not result in the potential for significant adverse impacts due to indirect businesses displacement, and no further assessment is warranted. *