

A. INTRODUCTION

This chapter considers whether the completion of Phase II of the Project by 2035 under the Extended Build-Out Scenario¹ would result in new or different socioeconomic impacts as compared with the completion of Phase II by 2016 as analyzed in the 2006 Final Environmental Impact Statement (FEIS). Specifically, the analysis focuses on whether changes in background conditions by 2035 (rather than 2016) and the introduction of the Phase II program over an extended period of time would result in new or different significant adverse socioeconomic impacts as a result of: (1) direct displacement of residential population from the project site; (2) indirect displacement of residential population in the study area; (3) direct displacement of existing businesses from the project site; (4) indirect displacement of businesses in the study area; or (5) adverse effects on specific industries.

This chapter does not assess the socioeconomic effects of construction activities on existing and future residents and businesses surrounding the project site. The socioeconomic effects of prolonged construction are considered separately, in Chapter 3C, “Construction Socioeconomic Conditions.”

PRINCIPAL CONCLUSIONS

This analysis finds that the completion of Phase II by 2035 under the Extended Build-Out Scenario would not result in any new or different significant adverse socioeconomic impacts as compared with completion of Phase II by 2016. The following summarizes the conclusions drawn from the analysis.

DIRECT RESIDENTIAL DISPLACEMENT

The 2006 FEIS analyzed the direct displacement of 171 residential units housing an estimated 410 residents. Of these 171 residential units, 137 were located on the Phase I project site, and 34 were located on the Phase II project site. The 2006 FEIS assumed that all of the direct residential displacement would occur during Phase I of the Project. Of the 171 residential units analyzed in the 2006 FEIS, four units remain, and all four are located on the Phase II project site. These units are located on Block 1128, Lots 85, 86, and 87, and the units house approximately 10 residents. Residents of these units would be directly displaced from the project site at a later date than

¹ As described in Chapter 1, “Project Description” and Chapter 2, “Analysis Framework,” this Supplemental EIS (SEIS) assesses the environmental impacts of the Project as approved in the 2006 Modified General Project Plan (MGPP) and 2009 MGPP, with certain proposed programmatic shifts among the Phase I and Phase II sites and proposed parking reductions, and with a prolonged construction of Phase II resulting in project completion in 2035 (the “Extended Build-Out Scenario”).

assumed in the 2006 FEIS. These residents would still be offered relocation assistance in connection with the acquisition of the properties for Phase II of the Project. Their displacement during Phase II under the Extended Build-Out Scenario would not significantly alter the socioeconomic conditions in the study area and would not result in any significant adverse socioeconomic impacts.

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The 2006 FEIS analyzed the direct displacement of 27 businesses and 2 institutions, all of which was assumed to occur during Phase I of the Project. Of these 29 businesses and institutions, 14 businesses and one institution were located on the Phase I project site and 13 businesses and one institution were located on the Phase II project site. Of the 27 businesses and 2 institutions analyzed in the 2006 FEIS, 2 businesses remain on Site 5 of the Phase I project site, no businesses remain on the Arena Block of the Phase I project site, and 2 businesses (Global Exhibition Services and Warburg Stagemart) remain on Block 1120 of the Phase II project site, on Lots 19 and 28. These remaining businesses are believed to be currently using the buildings on these lots for storage. Empire State Development (ESD) has acquired below grade easements on these lots for the installation of tie-backs to support construction in the LIRR Yard. In addition, a building located on Lot 4 of Block 1128 of the Phase II project site is privately owned and is believed to be used for storage. Though none of the business activities that were analyzed in the 2006 FEIS remain on the lot, the ownership of the building has not changed since the 2006 FEIS.

Under the Extended Build-Out Scenario these three businesses would be directly displaced at a later date than assumed in the 2006 FEIS, but the timing of their displacement would not significantly alter the socioeconomic conditions in the area and would not result in any significant adverse socioeconomic impacts. The business owners would still be offered relocation assistance in connection with the acquisition of the properties for Phase II of the Project. Their displacement would not significantly alter the socioeconomic conditions in the area and would not result in any significant adverse impacts due to direct business and institutional displacement.

INDIRECT RESIDENTIAL DISPLACEMENT

Similar to the conclusions in the 2006 FEIS, this SEIS analysis finds that the Extended Build-Out Scenario would not result in significant adverse impacts due to indirect residential displacement. The 2006 FEIS conclusions (in italics below), and their applicability to the Extended Build-Out Scenario, are as follows:

- *The 2006 FEIS stated that the number of at-risk households in the study area had been decreasing and would probably continue to do so without the Project, concluding that it was probable that the number of at-risk households in the study area in 2010 and 2016 would be substantially lower. Based on the SEIS analysis of income, housing, and recent development, it is evident that this trend has continued since the 2006 FEIS, and it is reasonable to assume that the number of at-risk households in the study area has decreased, and will continue to decrease, in the future independent of the development of Phase II under the Extended Build-Out Scenario.*
- *In 2006, similarities between the Project housing mix and the housing mix present in the ¾-mile study area indicated that the Project would not substantially change the socioeconomic profile of the study area. While background income conditions have*

changed since the 2006 FEIS, and would be different in 2035 as compared with 2016, the SEIS analysis indicates that the housing stock introduced by the Extended Build-Out Scenario would continue to be similar in tenure to the housing stock in the broader $\frac{3}{4}$ -mile study area. Phase II under the Extended Build-Out Scenario would add a higher proportion of affordable units than would be expected to be added to the study area in the Future Without Phase II (approximately 36 percent as compared with a 20 percent estimate for other development). The anticipated income distribution of households introduced by Phase II of the Project would not shift the distribution of households across income brackets such that the overall socioeconomic character of the study area would change significantly. Further, in the Future Without Phase II, no affordable units would be added to the Phase II project site.

- *The 2006 FEIS stated that the substantial number of housing units to be added by the Project could serve to relieve market pressure in the study area by absorbing housing demand that might otherwise be expressed through increases in rents.* The delay in the completion of Phase II housing under the Extended Build-Out Scenario would not, in the shorter term, provide a supply of housing that could serve to relieve this market pressure. However, this delay would not have short- or long-term significant adverse impacts on future housing market conditions in the study area. Residential market trends indicate that neighborhoods in the study area have recovered from the 2008 recession in terms of vacancy and demand. In addition to any Phase II development, the study area is expected to gain 9,629 new residential units in planned developments expected to be complete by the 2035 build year, including 1,922 residential units that would be added by Phase I of the project. Excluding the Project's Phase I units, these 7,707 residential units represent over 1.5 times as many units as were expected to be added to the study area by the build year in the 2006 FEIS. This additional No Build housing supply would reduce any adverse effects of the delay in completion of Phase II housing units, and the residential units added by the development of Phase II under the Extended Build-Out Scenario could still serve to relieve upward rent pressure in the study area. In addition, as per the Project commitments, not more than 50 percent of the Phase II units are permitted to be built without completion of at least 50 percent of the Phase II affordable units, ensuring that the affordable units would be phased in incrementally. Under Construction Phasing Plan 1, 50 percent of the Phase II residential units would be achieved when Buildings 14, 13, 12, 11, 15, 8, and 9 are completed by late 2029, and consistent with the Project requirements, these buildings would include at least 50 percent of the Phase II affordable units (900 affordable units). Under Construction Phasing Plan 2, 50 percent of the Phase II residential units would be achieved when Buildings 15, 5, 14, 6, 7 and 8 are completed by early 2029, and these buildings would include at least 900 affordable units. Under Construction Phasing Plan 3, 50 percent of the Phase II units would be achieved when Buildings 14, 13, 12, 11, 15, 8 and 9 are completed by early 2032, and would include at least 900 affordable units.¹ When compared with the Future Without Phase II, in which no new housing units—including affordable units—would be developed on the project site in the Phase II area of the site,

¹ It should be noted that at least 30 percent of the residential units built on the Arena Block (in buildings 1, 2, 3 and 4) in Phase I (but no fewer than 300 units) are to be affordable units. The remainder of the affordable units are to be built in Phase II or on Site 5.

the development of Phase II under the Extended Build-Out Scenario would provide more relief in total number of residential units as well as through the provision of new affordable housing.

- *The 2006 FEIS stated that most identified at-risk households were more than ½ mile from the project site, and separated from the project site by intervening established residential communities with upward trends in property values and incomes and active commercial corridors.* Current household income data suggest that incomes have increased throughout the study area since the 2006 FEIS; that there are fewer at-risk households in the study area; and that remaining at-risk households are still concentrated in the same census tracts identified in the 2006 FEIS. Trends indicate that intervening established neighborhood and commercial corridors cited in the 2006 FEIS have become even more established and would continue to limit the potential for the proposed residential development in Phase II of the Project to affect rental rates in tracts containing potentially vulnerable populations. The SEIS analysis indicates that many of the remaining at-risk households are still more than ½ mile from the project site and separated by more established residential neighborhoods and commercial trends. In addition, Inclusionary Housing Program Areas that have been added to the study area since the 2006 FEIS—including to portions of the study area that were identified in the 2006 FEIS as containing low- and moderate-income populations—would protect affordable housing added or preserved under this program from market-driven rent pressures.

INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The Extended Build-Out Scenario would not alter the conclusions of the 2006 FEIS in regards to indirect business and institutional displacement.

As predicted in the 2006 FEIS, increases in commercial property values have already led to some indirect business and institutional displacement along retail corridors closest to the project site. The retail turnover that has occurred since the 2006 FEIS is in part attributable to well-established residential development trends in the study area, as well as indirect displacement pressures in the ¼-mile study area, that were predicted as a result of Phase I of the Project.

The development of Phase II under the Extended Build-Out Scenario has the potential to result in indirect business and institutional displacement along certain corridors within ¼ mile of the project site. This displacement could be limited to an even smaller number of vulnerable businesses and institutions than described in the 2006 FEIS, and would primarily consist of neighborhood services stores, light industrial or auto-related uses, and a small number of institutions located on Vanderbilt Avenue, Flatbush Avenue, and 4th Avenue. The delay in the completion of Phase II under the Extended Build-Out Scenario would not add any additional upward pressure on commercial rents beyond what was analyzed in the 2006 FEIS. The completion of Phase II over a longer time period would distribute its effects, potentially reducing the project-induced upward pressure on rents at any given point in time. Therefore, any indirect business and institutional displacement that may occur as a result of the development of Phase II under the Extended Build-Out Scenario would not result in adverse indirect business and institutional displacement effects beyond those disclosed in the 2006 FEIS.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

The development of Phase II under the Extended Build-Out Scenario would not result in significant adverse impacts on any specific industries. Of the 27 on-site businesses analyzed in the 2006 FEIS, 2 businesses remain on Site 5 of the Phase I project site, no businesses remain on the Arena Block of the Phase I project site, and two businesses remain on Lots 19 and 28 of Block 1120 of the Phase II project site and are believed to be currently using the buildings on these lots for storage. In addition, a building located on Lot 4 of Block 1128 of the project site is privately-owned and is believed to be used for storage. The development of Phase II under the Extended Build-Out Scenario would not result in any additional direct business displacement beyond what was analyzed in the 2006 FEIS, and would therefore not alter the conclusion of the 2006 FEIS regarding adverse effects on specific industries. The development of Phase II under the Extended Build-Out Scenario would not directly affect business conditions in any industry or category of business within or outside of the study area, nor would it indirectly substantially reduce employment or impair the economic viability of any industry or category of business. Similarly, any potential indirect business displacement that could occur as a result of the development of Phase II under the Extended Build-Out Scenario would not be expected to adversely affect conditions within any City industries.

B. SUMMARY OF FINDINGS FROM PREVIOUS ENVIRONMENTAL REVIEWS

DIRECT RESIDENTIAL DISPLACEMENT

The 2006 FEIS concluded that the Project would not result in any significant adverse impacts due to direct residential displacement. The 2006 FEIS considered direct displacement to include all housing units on the project site, including owner-occupied units sold to the project sponsors, rental units for which the renters voluntarily agree to vacate their apartments, and housing units that were vacant upon acquisition by the project sponsors. As such, the 2006 FEIS analyzed the direct displacement of 171 residential units housing an estimated 410 residents. Of these 171 residential units, 137 were located on the Phase I project site, and 34 were located on the Phase II project site. The 2006 FEIS assumed that all of the direct residential displacement would occur during Phase I of the Project. The 2006 FEIS concluded that the direct displacement of these residents would not result in a significant adverse impact because they did not represent a significant proportion of the study area population and they were not likely to have socioeconomic characteristics that differed markedly from the study area population as a whole.

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The 2006 FEIS concluded that the Project would not result in any significant adverse impacts due to direct business displacement. The 2006 FEIS analyzed the direct displacement of 27 businesses and two institutions, all of which was assumed to occur during Phase I of the Project. Of these 29 businesses and institutions, 14 businesses and one institution were located on the Phase I project site and 13 businesses and one institution were located on the Phase II project site. The businesses subject to direct displacement by the Project included several gas stations and automotive repair shops, a truck rental facility, several warehouse, storage, and import/export businesses, two larger chain retail stores and two small retail shops, a restaurant, a bar, a union hall, and an art studio. The two institutions subject to direct displacement by the Project were a privately operated facility that provided temporary housing for homeless families

through contract with the New York City Department of Homeless Services, and an New York City Fire Department (FDNY) Special Operations Facility used for equipment cleaning and storage. The 2006 FEIS concluded that the Project would not result in any significant adverse impacts due to direct business and institutional displacement because it found that the displaced businesses and institutions did not have substantial economic value to the City or region; they were not subject to publicly adopted plans to preserve, enhance, or protect them; they did not, individually or collectively, contribute substantially to neighborhood character; and they could be relocated elsewhere in the City as their operations were not tied to their current locations.

INDIRECT RESIDENTIAL DISPLACEMENT

The 2006 FEIS concluded that the Project would not result in significant adverse indirect residential displacement impacts.¹ The conclusion was based on the following factors: 1) due to existing upward trends in residential property values and incomes, the number of at-risk households in the study area had been decreasing and was likely to continue to decrease in the future independent of the Project; and 2) the Project would not be likely to substantially affect residential property values in areas identified as having an at-risk population. Using the Census-based methodology of the *CEQR Technical Manual*, the 2006 FEIS identified an estimated 2,929 households in 10 census tracts potentially at risk of indirect residential displacement in the future with or without the Project. The 2006 FEIS found that the Project was unlikely to lead to substantial indirect displacement due to four limiting factors. First, as explained above, the at-risk population in the study area was likely to decrease in the future with or without the proposed project. Second, similarities between the Project housing mix and the housing mix present in the study area in 2006 indicated that the Project would not substantially change the socioeconomic profile of the study area. Third, the Project would introduce a substantial number of housing units to the study area, which could alleviate upward pressure on rental rates, reducing displacement pressures on the at-risk population in the study area. And fourth, a majority of households identified as at-risk were located more than a ½ mile from the project site; these at-risk households were separated from the project site by established residential communities with existing upward trends in property values and incomes and active commercial corridors. Based on these factors, the 2006 FEIS concluded that the Project was not likely to lead to substantial indirect residential displacement in the 10 census tracts identified as containing at-risk households. Therefore, the 2006 FEIS found that the Project would not result in any significant adverse indirect residential displacement impacts.

¹ The 2006 FEIS analysis of indirect residential displacement considered the Project's residential mixed-use variation, which included: a sports arena; 6,430 residential units; approximately 300,000 sf of office space; approximately 247,000 sf of retail; and a 180-room hotel. Like the commercial mixed-use variation, this variation also included eight acres of open space, an enclosed, publicly accessible "Urban Room," and community facility uses in portions of the retail and residential space. In addition, both program variations included approximately 3,670 parking spaces, a new subway entrance at the southeast corner of Atlantic and Flatbush Avenues, and several roadway and pedestrian circulation changes near the project site. Based on the Census 2000 average household size for the ½-mile study area, the 2006 FEIS reported that the residential mixed-use program would add approximately 13,500 residents to the study area by 2016.

INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The 2006 FEIS concluded that the Project would not result in significant indirect business or institutional displacement impacts.¹ It concluded that while the introduction of new residents, workers, and visitors to the project site could alter existing economic patterns in certain portions of the study area, these changes would not lead to a substantial amount of indirect business or institutional displacement because: 1) many of the existing businesses in 2006 had the potential to capitalize on the new population, and the resulting increase in sales could allow them to afford increases in rental rates; 2) some of the commercial corridors in the study area had already experienced substantial increases in commercial rental rates leading up to 2006 and these upward trends were expected to continue in absence of the Project so that any businesses or institutions vulnerable to indirect displacement pressures would already have relocated in the future without the Project; and 3) a majority of the institutional uses located in the study area were owner-occupied or government-owned and therefore would not be vulnerable to indirect displacement pressures.

The 2006 FEIS concluded that any potential indirect business and institutional displacement due to the Project would be limited to a small number of businesses and institutions located within ¼ mile of the project site, primarily along Vanderbilt Avenue, Flatbush Avenue, and 4th Avenue. It determined that, due to the proximity of Phase I development sites, any indirect displacement on Flatbush Avenue and 4th Avenue would most likely take place during Phase I of the Project. Similarly, any indirect displacement on Vanderbilt Avenue was deemed more likely occur during Phase II of the Project as new residents moved to the eastern portions of the project site. It concluded that the businesses and institutions that would be vulnerable to indirect displacement were not unique to the ¾-mile study area, did not have substantial economic value to the City, and did not have locational needs that would preclude them from relocating elsewhere in the study area or City. It found that the displacement of any of these potentially vulnerable businesses or institutions would not substantially affect neighborhood character, and would not represent a significant adverse impact.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

The 2006 FEIS concluded that the Project would not result in a significant adverse impact on any specific industry. It determined that the Project would not directly affect business conditions in any industry or category of business within or outside of the study area, nor would it indirectly substantially reduce employment or impair the economic viability of any industry or category of business.

¹ The 2006 FEIS assessment of indirect business and institutional displacement analyzed the Project's commercial mixed-use variation, which was assumed to result in the development of a sports arena, 5,325 residential units, approximately 1.6 million sf of office space, and 247,000 sf of retail on the project site by 2016. Like the residential mixed-use variation, the commercial mixed-use variation included eight acres of open space, an enclosed, publicly accessible "Urban Room" and community facility uses in portions of the retail and residential space. In addition, both program variations included approximately 3,670 parking spaces, a new subway entrance at the southeast corner of Atlantic and Flatbush Avenues, and several roadway and pedestrian circulation changes near the project site.

C. METHODOLOGY

BACKGROUND

As described in the 2012 *CEQR Technical Manual*, the socioeconomic character of an area includes its population, housing, and economic activities. Socioeconomic changes may occur when a project directly or indirectly affects any of these elements. Although socioeconomic changes may not result in environmental impacts, they are disclosed if a project would affect land use patterns, low income populations, the availability of goods and services, or economic investment in a way that changes the socioeconomic character of the area. In some cases, these changes may be substantial but not adverse. In other cases, these changes may be good for some groups but bad for others. The objective of the CEQR analysis is to disclose whether any changes created by the project would have a significant adverse impact on the area's population, housing, and/or economic activities as compared with what would happen in the future without the proposed project.

An assessment of socioeconomic impacts distinguishes between impacts on the residents and businesses in an area and separates these impacts into direct and indirect displacement for both of those segments. Direct displacement occurs when residents or businesses are involuntarily displaced from the actual site of the proposed project or sites directly affected by it. For example, direct displacement would occur if a currently occupied site were redeveloped for new uses or structures or if a proposed easement or right-of-way encroached on a portion of a parcel and rendered it unfit for its current use. In these cases, the occupants of a particular structure to be displaced can usually be identified, and therefore the disclosure of direct displacement focuses on specific businesses and a known number of residents and workers.

Indirect or secondary displacement occurs when residents, business, or employees are involuntarily displaced due to a change in socioeconomic conditions in the area caused by the proposed project. Examples include the displacement of lower-income residents who are forced to move due to rising rents caused by higher-income housing introduced by a proposed project. Examples of indirect business displacement include higher-paying commercial tenants replacing industrial uses when new uses introduced by a project cause commercial rents to increase. Unlike direct displacement, the exact occupants to be indirectly displaced are not known. Therefore, an assessment of indirect displacement usually identifies the size and type of groups of residents, businesses, or employees potentially affected.

Some projects may affect the operation and viability of a specific industry not necessarily tied to a specific location. An example would be new regulations that prohibit or restrict the use of certain processes that are critical to certain industries. In these cases, the City Environmental Quality Review (CEQR) review process may involve an assessment of the economic impacts of the project on that specific industry.

ANALYSIS FORMAT

This SEIS analysis focuses on the potential for indirect residential and business displacement impacts resulting from the Extended Build-Out Scenario that are different from those disclosed in the 2006 FEIS. The 2006 FEIS based the analysis of indirect residential displacement on the residential mixed-use variation; the analysis of indirect business displacement was based on the commercial mixed-use variation. The difference between the two variations relates principally to the mix of commercial and residential uses in two of the Phase I buildings (Building 1 and Site

5). This analysis assumes the commercial mixed use variation which includes up to 4,932 residential units, including up to 1,800 affordable units, and approximately 156,000 gsf of retail in Phase II.¹

The analysis of indirect displacement begins by characterizing existing conditions based on the latest demographic data, field surveys, research and interviews. This establishes a baseline for assessing current and future socioeconomic trends in the area. As described in Chapter 2, “Analysis Framework,” the Future Without Phase II in the SEIS is defined by Phase I of the Project and other development projects expected to occur in the area by 2035. Each analysis then assesses the potential for new or different significant adverse socioeconomic impacts as compared with the conclusions of the 2006 FEIS. In this SEIS the future with the Extended Build-Out Scenario is compared with the Future Without Phase II to determine how changed background conditions and the extended timing could affect the conclusions of the 2006 FEIS.

STUDY AREA DEFINITION

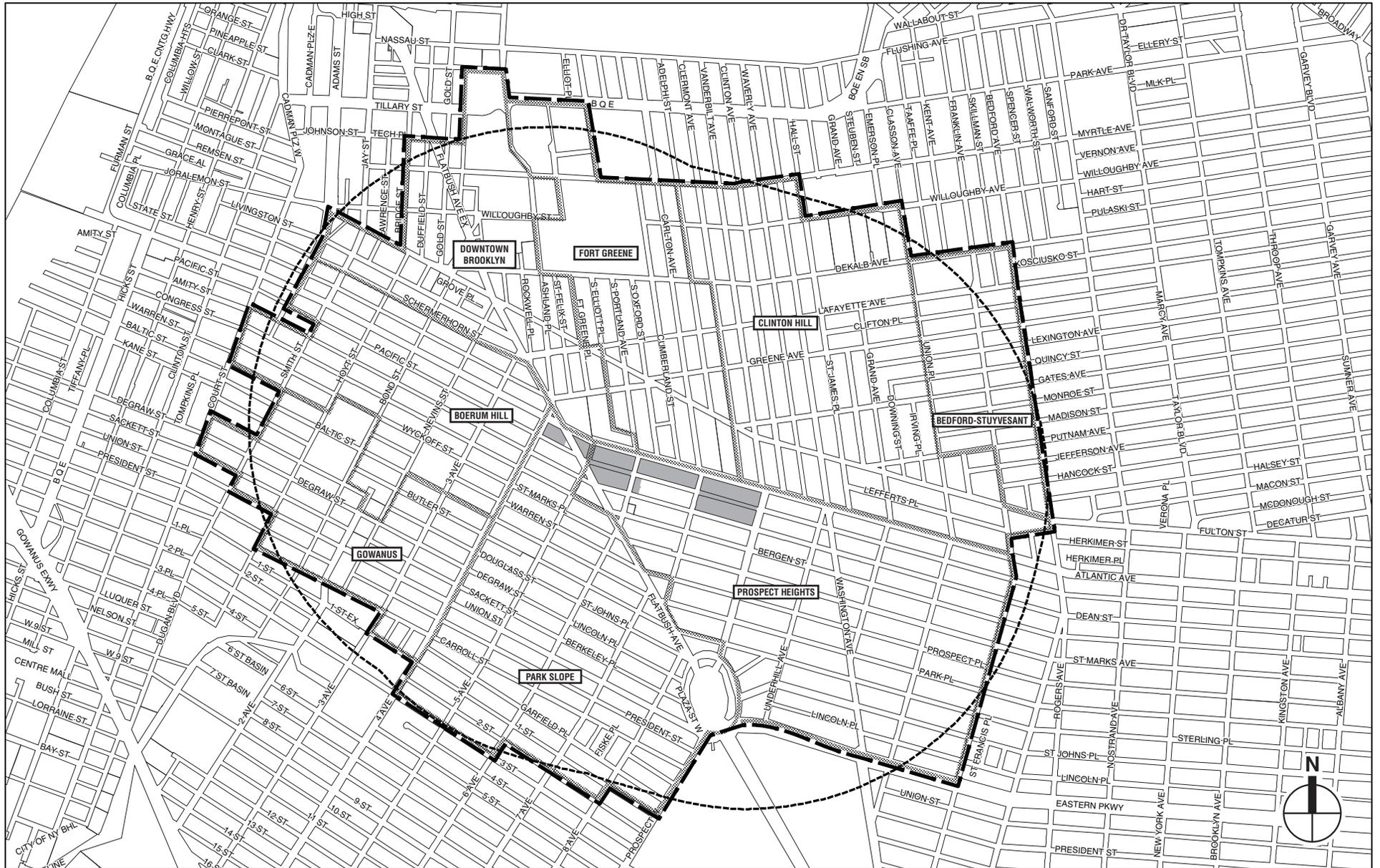
According to the *CEQR Technical Manual*, the socioeconomic study area typically reflects the land use study area, and should reflect the scale of the project relative to the area’s population. The socioeconomic analysis in the 2006 FEIS analyzed a ½-mile primary study area and a ¾-mile secondary study area. For indirect residential displacement, the preliminary assessment used the ½-mile and ¾-mile study areas and the detailed analysis used the ¾-mile study area divided into seven neighborhood subareas. For indirect business and institutional displacement, the 2006 FEIS preliminary analysis used a ¾-mile study area approximated with zip codes. The detailed analysis focused on both the ¾-mile zip code-based study area, as well as a ¼-mile study area for the analysis of indirect business and institutional displacement due to increasing commercial rents.

The SEIS study areas reflect the socioeconomic study areas and subareas used in the 2006 FEIS, adjusted for changes in census tract and block group boundaries since 2000. The conclusions of the 2006 FEIS were based on the ¾-mile study area and subareas and the ¼-mile study area, and therefore the analyses in the SEIS focus on these study areas. All socioeconomic study areas are described in further detail as they are referenced in the body of this chapter. Study area boundaries are depicted in **Figures 4A-1, 4A-4, 4A-5, 4A-6, and 4A-7.**

DATA SOURCES

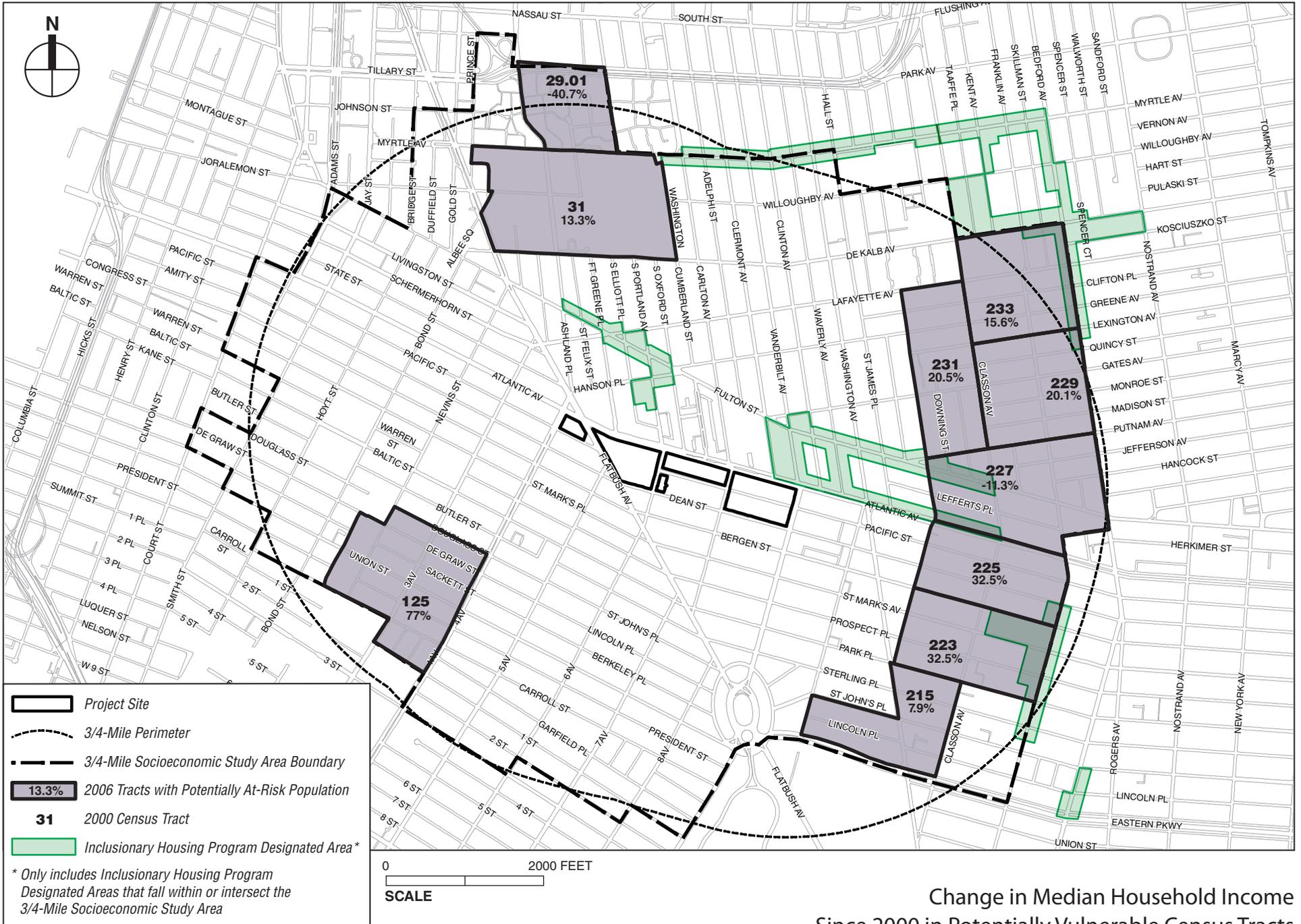
Data related to residential conditions, including population, housing, poverty and income data, were obtained from the U.S. Census Bureau’s 2000 and 2010 Censuses and the 2007–2011 American Community Survey (ACS). ACS data were used for median household income and household income distribution, population living below the poverty level, and median home value and contract rent, as these data were not available from the 2010 Census. Unless otherwise noted, income, home value, and median contract rent data were inflated to 2013 dollars using the

¹ The residential and commercial mixed use variations would result in the same amount of retail space. While the residential mixed use variation would result in fewer affordable units in Phase II than the commercial mixed use variation (1,771 as opposed to 1,800 affordable units in Phase II), the difference would not affect the conclusions of the analysis of indirect residential displacement. Therefore, the commercial mixed use variation is considered in the indirect residential displacement analysis as it maximizes the total number of units introduced in Phase II.



- Project Site
- 3/4-Mile Socioeconomic Study Area Boundary
- 3/4-Mile Perimeter
- Subarea Boundary

0 2000 FEET
SCALE



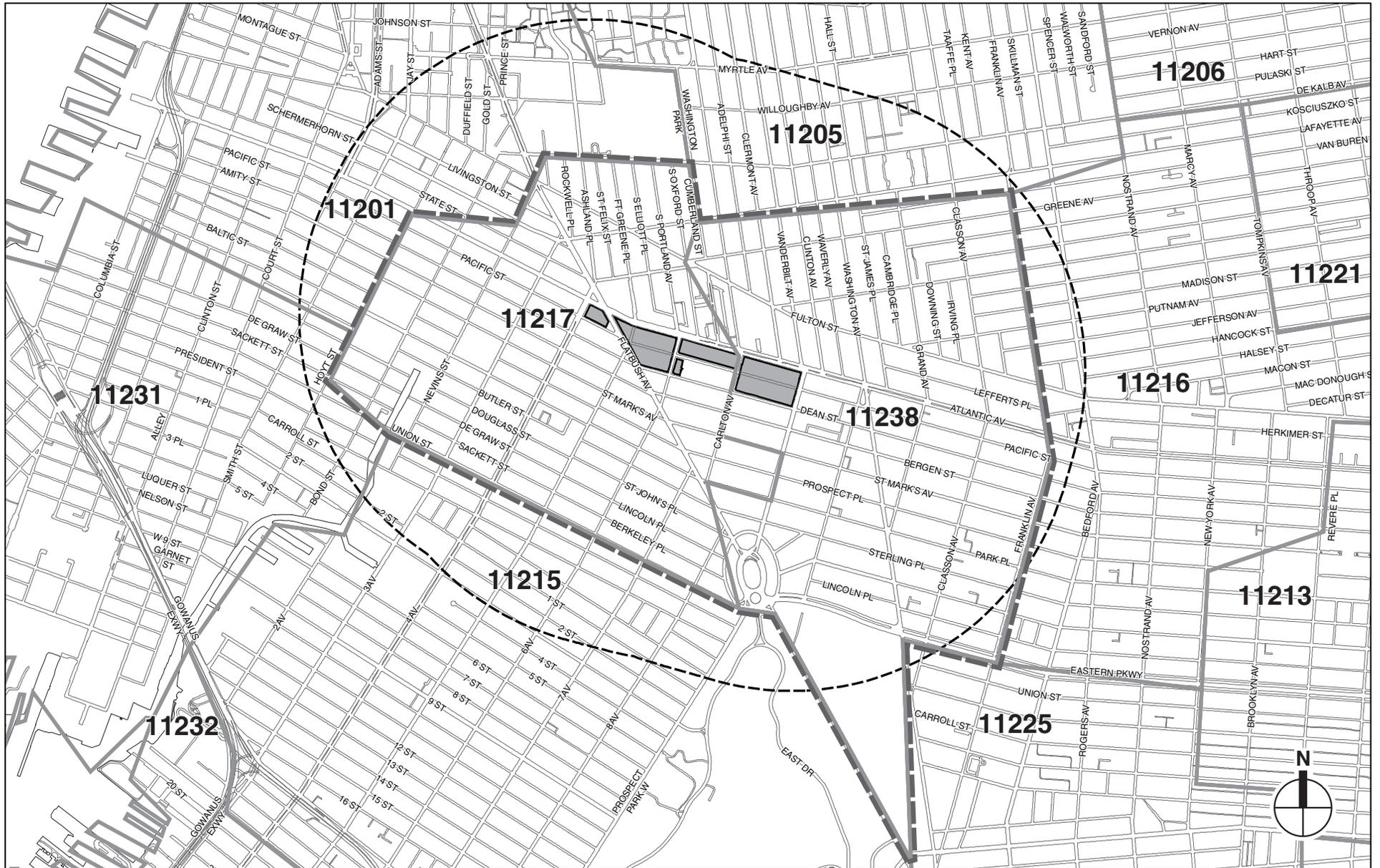
Change in Median Household Income Since 2000 in Potentially Vulnerable Census Tracts
Figure 4A-2



-  Project Site
-  3/4-Mile Perimeter
-  3/4-Mile Socioeconomic Study Area Boundary
-  Residential Developments Built Since 2006
-  2000 Tracts with Potentially At-Risk Population (from the 2006 FEIS)
-  No Build Project

0 2000 FEET
SCALE

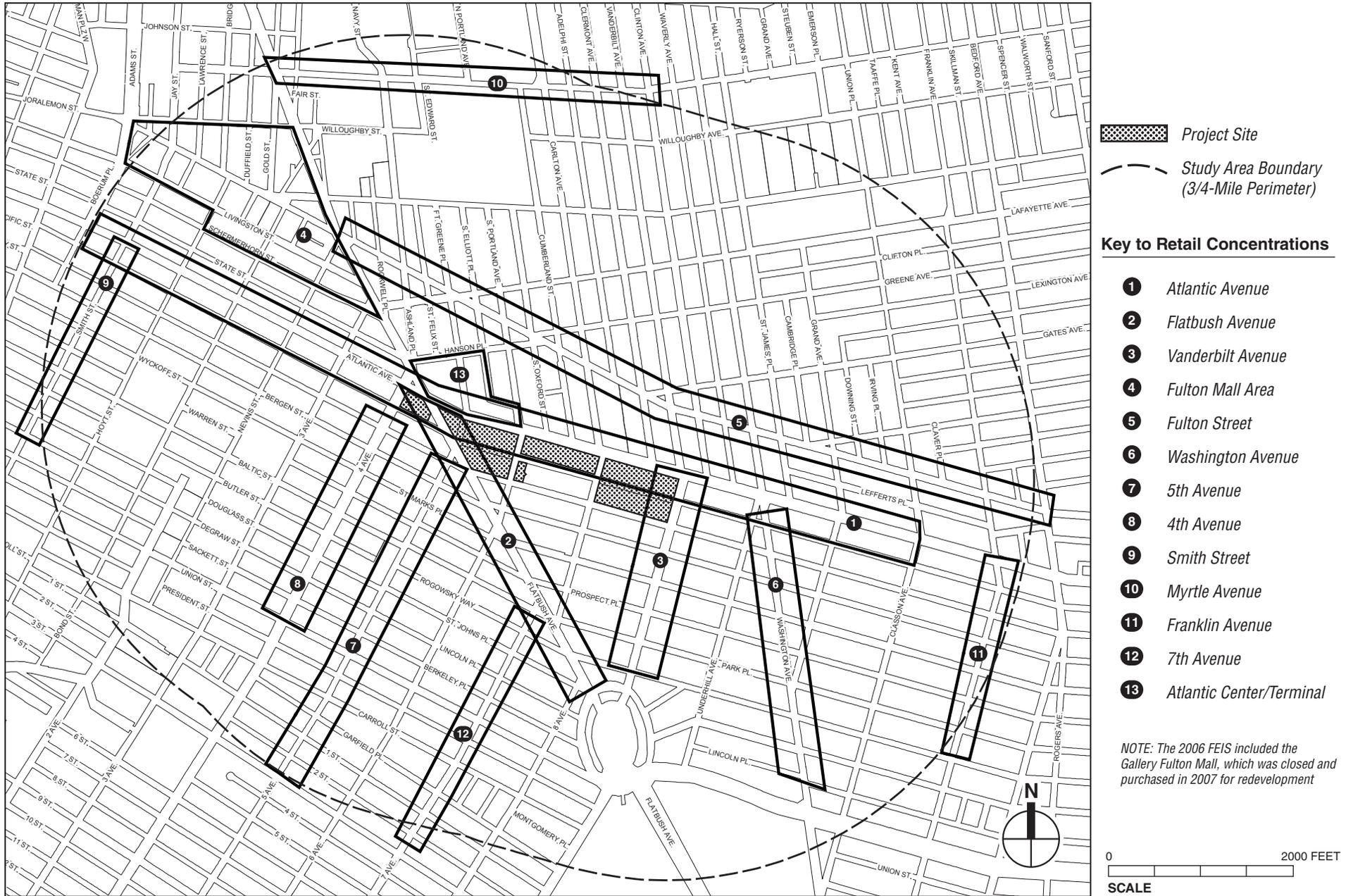
Recent Residential Developments and No Build Projects in the 3/4-Mile Study Area
Figure 4A-3

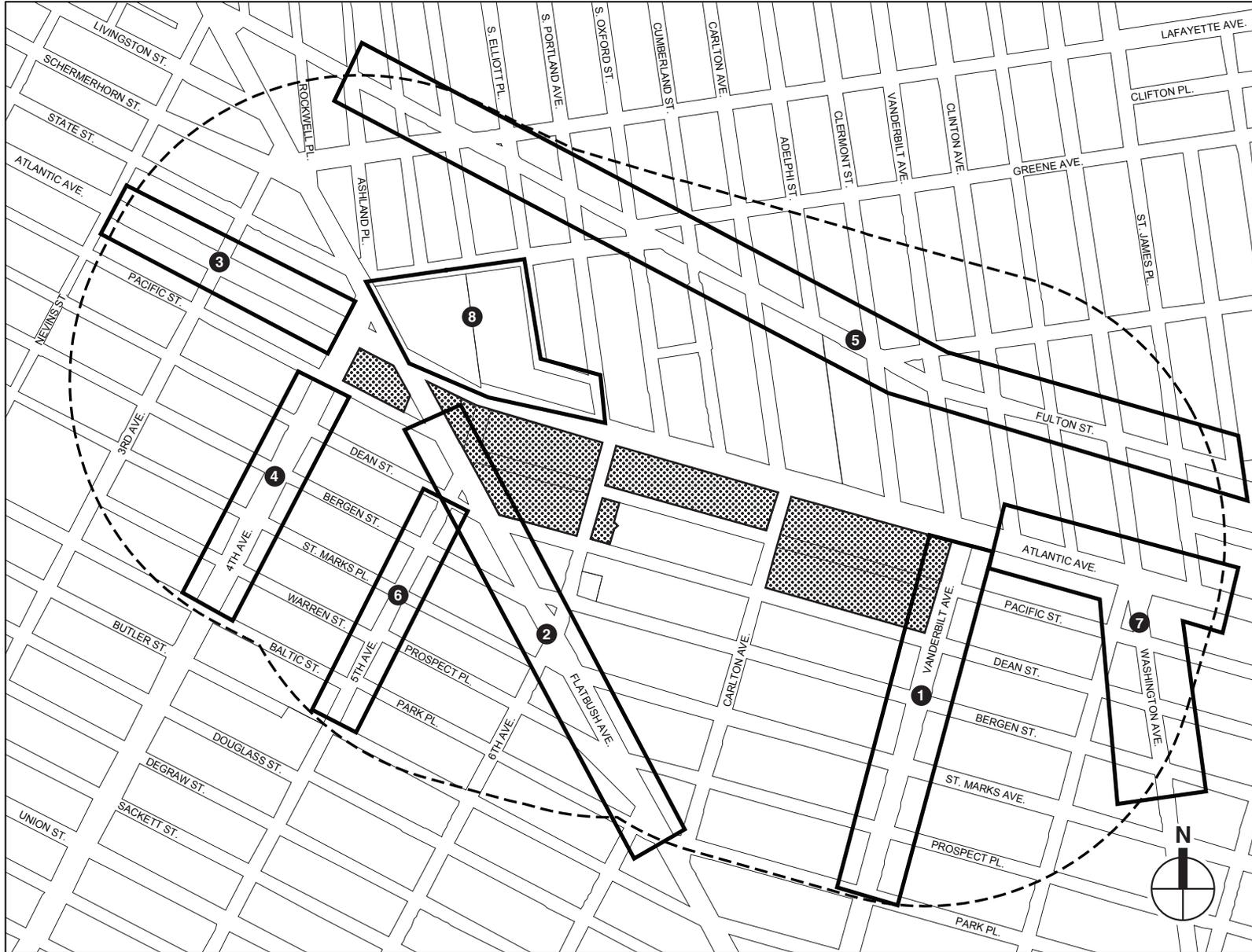


-  Project Site
-  Study Area for Trend Data
-  Study Area for Current Total Employment (3/4-Mile Perimeter)
-  Zip Code Boundary

0 2000 FEET
SCALE

**Three-Quarter Mile Study Area for Indirect Business Displacement
Figure 4A-4**

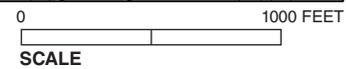


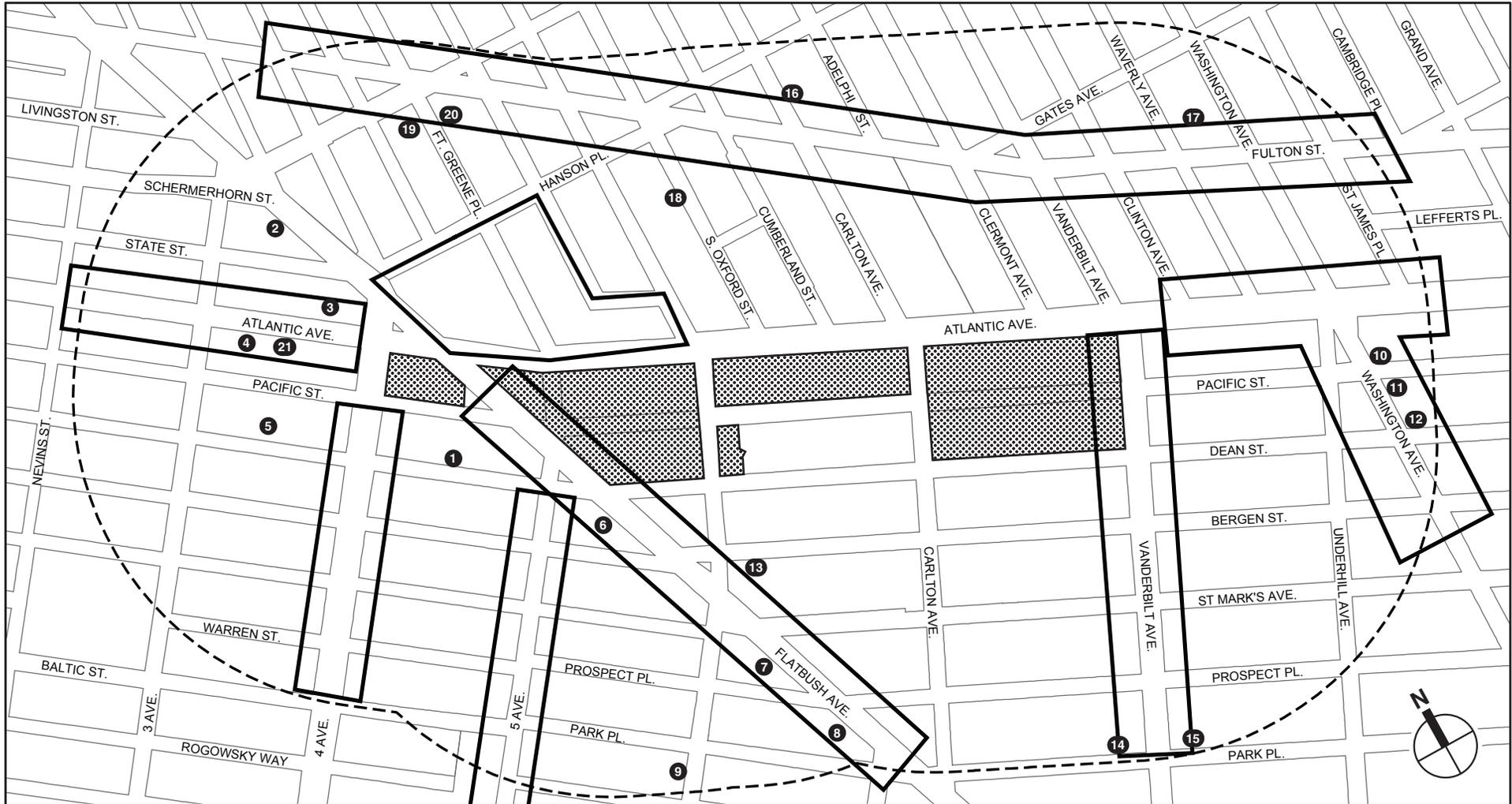


 Project Site
 Retail Study Area Boundary (1/4-Mile Perimeter)

Key to Retail Concentrations

- 1** Vanderbilt Avenue
- 2** Flatbush Avenue
- 3** Atlantic Avenue
- 4** 4th Avenue
- 5** Fulton Street
- 6** 5th Avenue
- 7** Washington Avenue
- 8** Atlantic Center/Terminal





-  Project Site
-  Institutional Use Study Area Boundary (1/4-Mile Perimeter)
-  Institutions (see Table 3 - 16 for list of Institutions)
-  Retail Concentrations

0 600 FEET
SCALE

U.S. Department of Labor Bureau of Labor Statistics' Consumer Price Index for all Urban Consumers for New York-Northern New Jersey-Long Island. For comparison purposes, income, home value, and median contract rent values from the 2006 FEIS were also inflated to 2013 dollars, and therefore do not directly reflect the values reported in the 2006 FEIS.

Land use and parcel data were collected from the New York City Department of Finance's Real Property Assessment Data (RPAD) 2012 database and the Automated City Register Information System (ACRIS). Additional real estate data were obtained from the *New York Times* online Real Estate section and from Streeteasy.com.¹ This information was supplemented with discussions with local residential real estate brokers and field visits to the study area in May and June of 2013.

Employment and business data at the borough and zip code level were obtained from the New York State Department of Labor Quarterly Census of Employment and Wages (QCEW). In order to provide a more complete picture of total employment in the ¾-mile study area, the zip code data are supplemented with references to employment data from ESRI Business Analyst Online, a commercial data provider that calculates employment estimates for any defined geographic area. The ESRI data capture employment that is located within the ¾-mile study area, including employment located outside of the two-zip-code area. Retail surveys were conducted in May and June of 2013. This information was supplemented with discussions with local commercial real estate brokers in November and December of 2013.

D. DIRECT RESIDENTIAL DISPLACEMENT

The 2006 FEIS analyzed the direct displacement of 171 residential units housing an estimated 410 residents. Of these 171 residential units, 137 were located on the Phase I project site, and 34 were located on the Phase II project site. The 2006 FEIS assumed that all of the direct residential displacement would occur during Phase I of the Project. Of the 171 on-site residential units analyzed in the 2006 FEIS, four residential units remain, and all four are located on Lots 85, 86, and 87 of Block 1128 of the Phase II project site. Lot 85 contains one owner-occupied unit. Lot 86 contains one renter-occupied unit and one owner-occupied unit. Lot 87 contains one owner-occupied unit. The Extended Build-Out Scenario would not result in any additional direct residential displacement beyond what was analyzed in the 2006 FEIS.

Assuming the average household size that was assumed in the 2006 FEIS for the project area block groups (2.4 persons per household), these four units house approximately 10 residents. While residents of these units would be directly displaced from the project site at a later date than assumed in the 2006 FEIS, they would still be offered relocation assistance in connection with the acquisition of the properties for development of Phase II. The displacement of approximately 10 residents in connection with the development of Phase II would not significantly alter socioeconomic conditions in the study area and would not be considered a significant adverse impact.

¹ Streeteasy.com provides aggregated real estate listings from various sources including real estate associations, city records, brokerages, and property owners.

E. DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The 2006 FEIS analyzed the direct displacement of 27 businesses and two institutions, all of which were assumed to occur during Phase I of the Project. Of these 29 businesses and institutions, 14 businesses and one institution were located on the Phase I project site and 13 businesses and one institution were located on the Phase II project site. Of the 27 businesses and two institutions that were analyzed in the 2006 FEIS, 2 businesses remain on Site 5 of the Phase I project site, no businesses remain on the Arena Block of the Phase I project site, and two businesses remain on the Phase II project site, on Lots 19 and 28 of Block 1120. These two businesses—Global Exhibition Services and Warburg Stagemart—are believed to be currently using the buildings on these lots for storage. ESD has acquired below-grade easements on these lots for the installation of tie-backs to support construction. In addition, a building located on Lot 4 of Block 1128 of the Phase II portion of the project site is privately owned and is believed to be used for storage.

While these three businesses would be directly displaced at a later date than analyzed in the 2006 FEIS, they would still be offered relocation assistance in connection with the acquisition of the properties. Their displacement during Phase II of the Extended Build-Out Scenario would not significantly alter the socioeconomic conditions in the area and would not result in any significant adverse impacts due to direct business displacement.

F. INDIRECT RESIDENTIAL DISPLACEMENT

The objective of this assessment is to determine whether the completion of Phase II by 2035 under the Extended Build-Out Scenario could result in new or different indirect residential displacement pressures as compared with those identified in the 2006 FEIS, which assumed that Phase II would be complete by 2016. Under the Extended Build-Out Scenario, the Project's overall residential program (including Phase I and Phase II) would be the same as analyzed in the 2006 FEIS. However, for purposes of analysis this SEIS assumes that Phase II of the Project may have more residential units in the Extended Build-Out Scenario (up to 4,932 as compared with 4,323 in Phase II of the Project in the 2006 FEIS). In addition, socioeconomic conditions have changed since the 2006 FEIS, including the size and demographic composition of the area's residential population, as well as current and projected trends in residential property values and incomes. Accordingly, this SEIS analysis updates demographic and housing data utilized in the 2006 FEIS analysis of indirect residential displacement in order to reexamine the analysis that formed the basis of the 2006 FEIS conclusions. This analysis also projects future socioeconomic conditions and trends out to 2035, rather than 2016, and examines the potential effects of the Extended Build-Out Scenario on those trends.

EXISTING CONDITIONS

The ¾-mile study area encompasses the Brooklyn neighborhoods of Bedford-Stuyvesant, Boerum Hill, Clinton Hill, Downtown Brooklyn, Fort Greene, Gowanus, Park Slope, and Prospect Heights (see **Figure 4A-1**). As described in detail below, the study area has changed since the 2006 FEIS in terms of population size, median household income, and housing conditions. In general, the population has increased in the ¾-mile study area, with areas such as Downtown Brooklyn, Gowanus, and Boerum Hill experiencing the highest levels of new residential development. Since the analysis presented in the 2006 FEIS, median household income has increased in the ¾-mile study area as a whole and in all of the subareas, as residents with higher incomes have moved into new, market-rate residential units or are paying higher

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rents for residential units in existing buildings. The poverty rate decreased in the study area and in all of the subareas during this time. The subareas vary in terms of housing types, with brownstones in Park Slope, Fort Greene, Clinton Hill, Prospect Heights, and Bedford-Stuyvesant in various states of upkeep and renovation, modern residential towers in Downtown Brooklyn, and converted industrial space in Gowanus. The ¾-mile study area also contains several public housing developments in the Boerum Hill, Gowanus, Fort Greene, and Downtown Brooklyn subareas, and a concentration of Mitchell-Lama housing in the Clinton Hill and Fort Greene subareas. Notably, some of the most dramatic increases in income, home values, and rental rates have occurred in areas within the ¾-mile study area that were identified in the 2006 FEIS as having low- and moderate-income population potentially at-risk of indirect displacement. These areas, specifically portions of Prospect Heights, Clinton Hill, Downtown Brooklyn, and Bedford-Stuyvesant, are discussed in detail below.

POPULATION

According to the U.S. Census, the ¾-mile study area had a population of 132,375 in 2010 (see **Table 4A-1**). The study area population increased by 1.8 percent between 2000 and 2010—a rate slightly higher than in Brooklyn (1.6 percent) and lower than in New York City as a whole (2.1 percent). The 1.8 percent population growth in the study area was also higher than in the previous decade, which was the most recent trend data presented in the 2006 FEIS. Since 1980, population growth has increased each decade in the study area, while in Brooklyn and New York City as a whole, population growth peaked between 1990 and 2000, growing at slower rates between 2000 and 2010.

**Table 4A-1
Population: 1990–2010**

Area	Total Population			Percentage Change	
	1990	2000	2010	1990-2000	2000-2010
Bedford-Stuyvesant	9,456	9,520	9,359	0.7%	-1.7%
Boerum Hill	13,122	13,584	14,333	3.5%	5.5%
Clinton Hill	21,415	21,076	22,310	-1.6%	5.9%
Downtown Brooklyn	6,354	7,480	7,549	17.7%	0.9%
Fort Greene	14,960	15,206	13,997	1.6%	-8.0%
Gowanus	8,653	8,641	9,235	-0.1%	6.9%
Park Slope	26,698	26,878	27,540	0.7%	2.5%
Prospect Heights	27,579	27,672	28,052	0.3%	1.4%
¾-mile Study Area Total	128,237	130,057	132,375	1.4%	1.8%
Brooklyn	2,300,664	2,465,326	2,504,700	7.2%	1.6%
New York City	7,322,564	8,008,278	8,175,133	9.4%	2.1%
Notes:	Census Tract boundaries have changed since Census 2000 and the ¾-mile study area for 2010 (which is used for the 2007–2011 ACS) is slightly larger than the ¾-mile study area for 2000 presented in the 2006 FEIS. According to RPAD data, the 2010 study area contains 686 more residential units than the 2000 study area, in the Bedford-Stuyvesant and Boerum Hill subareas. The boundaries of some subareas have also changed since the 2000 Census: the 2010 Downtown Brooklyn subarea contains two blocks of the 2000 Fort Greene subarea; the 2010 Clinton Hill subarea contains five blocks of the 2000 Bedford-Stuyvesant subarea; and the 2010 Gowanus subarea contains one block of the 2000 Boerum Hill subarea.				
Sources:	U.S. Department of Commerce, Bureau of the Census, 1990, 2000, and 2010 Census, Summary File 1.				

Growth in Downtown Brooklyn accounted for the majority of the study area’s growth between 1990 and 2000, while most other subareas grew at slower rates or remained stable. In contrast, between 2000 and 2010, almost all the subareas experienced population growth, while growth in Downtown Brooklyn slowed. The subareas of Gowanus, Clinton Hill, and Boerum Hill experienced the highest rates of growth in the study area between 2000 and 2010. Population

growth rates increased in all subareas in the study area with the following exceptions: Downtown Brooklyn, where growth leveled to 0.9 percent; Bedford-Stuyvesant, where population was relatively stable between 1990 and 2000 and declined by 1.7 percent between 2000 and 2010; and Fort Greene, which experienced modest growth between 1990 and 2010 (1.6 percent), and the sharpest decline in population between 2000 and 2010 (-8.0 percent).

As shown in **Table 4A-2**, in 2010, the largest proportion of study area residents were White (50.0 percent).¹ Since 2000, the African American population declined in all subareas in the ¾-mile study area, and most dramatically in Prospect Heights, Clinton Hill, and Bedford-Stuyvesant. Minority residents represented 56.4 percent of the total study area population in 2010, as compared with 71.3 percent in 2000.

HOUSEHOLDS AND INCOME

As shown in **Table 4A-3**, the ¾-mile study area contained a total of 59,880 households in 2010, with an average household size of 2.14 persons per household; this is lower than the average household size for Brooklyn and New York City as a whole. The average household sizes for the study area, Brooklyn, and New York City all decreased since 2000. The Downtown Brooklyn, Boerum Hill, and Gowanus subareas experienced the highest percentage increases in number of new households (19.7 percent, 12.7 percent, and 11.8 percent, respectively).

Between 2007 and 2011, the median household income in the ¾-mile study area was \$77,363—an increase of approximately 15.7 percent since 1999 (see **Table 4A-4**). Median household income has increased in the study area since 1989, growing at a faster rate between 1999 and 2011 than during the previous decade, which was the most recent data in the 2006 FEIS. The median household income for the ¾-mile study area between 2007 and 2011 was higher than in Brooklyn and New York City as a whole during the same time, where median household income decreased since 1999 (by 0.8 percent and 4.3 percent, respectively). Downtown Brooklyn experienced the highest increase in median household income between 1999 and 2007–2011 (40.9 percent), largely due to new high-density market rate residential construction during this time. Park Slope, Bedford-Stuyvesant, and Fort Greene also experienced high increases in median household income during this time (24.0 percent, 18.3 percent, and 17.9 percent, respectively). All of these neighborhoods are known for historic brownstone architecture, though Park Slope had considerably higher median household income than Bedford-Stuyvesant and Fort Greene.

¹ The sum of the percentage of minority residents and White residents exceeds 100 percent because White, Black, Asian, and Other population may include Hispanic residents (see **Table 4A-2**).

Table 4A-2
Race and Ethnicity: 2000 and 2010¹

Area ²	White		African American		Asian		Other ³		Hispanic or Latino ⁴		Total Minority ⁵	
	'00	'10	'00	'10	'00	'10	'00	'10	'00	'10	'00	'10
Bedford Stuyvesant	4.7	22.1	83.5	64.3	1.7	3.0	10.2	5.5	12.4	16.0	98	82.8
Boerum Hill	52.9	65.1	24.3	16.9	4	6.5	18.8	6.5	27.8	19.9	58.7	45.0
Clinton Hill	18.8	38.6	68.8	47.9	4	5.4	8.4	2.9	10.3	9.8	84.4	65.0
Downtown Brooklyn	19.5	37.1	56.6	38.1	8.6	12.4	15.3	6.2	20.5	17.8	86.7	68.9
Fort Greene	21.5	36.2	61.7	45.8	2.7	6.7	14	6.1	11.5	16.1	83.5	69.1
Gowanus	47.1	56.3	25.8	24.2	2.6	5.1	24.5	9.8	37.3	31.5	66.5	58.4
Park Slope	68.4	76.3	14.5	9.1	5.1	6.2	12.1	3.6	17.6	12.5	39	30.5
Prospect Heights	22.7	43.2	61.6	40.4	4.2	6.6	11.5	4.6	14.3	13.0	80.6	61.3
¾-mile Study Area Total	34.7	50.0	48.1	33.6	4.1	6.3	13.2	9.7	17.2	15.2	71.3	56.4
Brooklyn	41.2	42.8	36.4	34.3	7.6	10.5	14.8	11.8	19.8	19.8	65.3	64.3
New York City	44.7	44.0	26.6	25.5	9.9	12.8	18.9	17.0	27	28.6	65	66.7

Notes:

1. White, Black, Asian, and Other population may include Hispanic residents (see note 3).
2. Census Tract boundaries have changed since Census 2000 and the ¾-mile study area for 2010 (which is used for the 2007–2011 ACS) is slightly larger than the ¾-mile study area for 2000 presented in the 2006 FEIS. According to RPAD data, the 2010 study area contains 686 more residential units than the 2000 study area, in the Bedford-Stuyvesant and Boerum Hill subareas. The boundaries of some subareas have also changed since the 2000 Census: the 2010 Downtown Brooklyn subarea contains two blocks of the 2000 Fort Greene subarea; the 2010 Clinton Hill subarea contains five blocks of the 2000 Bedford-Stuyvesant subarea; and the 2010 Gowanus subarea contains one block of the 2000 Boerum Hill subarea.
3. In order to draw comparisons to the data presented in the 2006 FEIS (which reported race in ways that would compare to 1990 Census categories) the 2000 and 2010 Census Categories of “Asian Alone” and “Native Hawaiian and Other Pacific Islander Alone” were combined into “Asian” and the categories of “American Indian and Alaska Native alone,” “Some other race alone” and “Two or more races” were combined into “Other.”
4. The Hispanic or Latino category consists of those respondents who classified themselves in one of the several Hispanic origin categories in the Census questionnaire. People of this ethnic group may be of any race.
5. The total minority population includes residents of all races and ethnic groups except non-Hispanic Whites.

Sources: U.S. Department of Commerce, Bureau of the Census, 2000 and 2010 Census, Summary File 1.

Table 4A-3
Household Characteristics: 1990-2010

Area	Total Households			Average Household Size		
	1990	2000	2010	1990	2000	2010
Bedford-Stuyvesant	3,279	3,413	3,624	2.82	2.76	2.55
Boerum Hill	5,360	5,655	6,372	2.24	2.15	2.11
Clinton Hill	9,384	10,000	10,808	2.19	2.06	1.99
Downtown Brooklyn	2,177	2,598	3,109	2.51	2.28	2.07
Fort Greene	5,897	6,463	6,309	2.33	2.19	2.08
Gowanus	3,143	3,458	3,865	2.75	2.48	2.36
Park Slope	12,161	13,009	13,232	2.17	2.06	2.08
Prospect Heights	10,298	11,541	12,561	2.62	2.34	2.19
¾-mile Study Area Total	51,699	56,137	59,880	2.38	2.22	2.14
Brooklyn	828,199	880,727	916,856	2.74	2.75	2.69
New York City	2,816,274	3,021,588	3,109,784	2.54	2.59	2.57

Notes: Census Tract boundaries have changed since Census 2000 and the ¾-mile study area for 2010 (which is used for the 2007–2011 ACS) is slightly larger than the ¾-mile study area for 2000 presented in the 2006 FEIS. According to RPAD data, the 2010 study area contains 686 more residential units than the 2000 study area, in the Bedford-Stuyvesant and Boerum Hill subareas. The boundaries of some subareas have also changed since the 2000 Census: the 2010 Downtown Brooklyn subarea contains two blocks of the 2000 Fort Greene subarea; the 2010 Clinton Hill subarea contains five blocks of the 2000 Bedford-Stuyvesant subarea; and the 2010 Gowanus subarea contains one block of the 2000 Boerum Hill subarea.

Sources: U.S. Department of Commerce, Bureau of the Census, 1990, 2000, and 2010 Census, Summary File 1

Table 4A-4
Income Characteristics: 1989-2011

	Median Household Income ^{1,2,3}					Population Below Poverty Level (Percent) ⁴		
	Income			Percent Change		1990	2000	2007–2011
	1989	1999	2007–2011	1989 to 1999	1999 to 2007–2011			
Bedford-Stuyvesant	\$34,896	\$39,430	\$46,661	13.0%	18.3%	35.9%	32.5%	25.2%
Boerum Hill	\$68,736	\$76,466	\$85,205	11.2%	11.4%	21.5%	16.8%	14.8%
Clinton Hill	\$55,970	\$60,929	\$65,673	8.9%	7.8%	16.7%	17.4%	13.6%
Downtown Brooklyn	\$54,349	\$51,619	\$72,720	-5.0%	40.9%	26.4%	26.4%	17.8%
Fort Greene	\$51,038	\$53,910	\$63,556	5.6%	17.9%	24.6%	29.1%	22.0%
Gowanus	\$45,197	\$59,668	\$60,744	32.0%	1.8%	32.5%	28.0%	18.7%
Park Slope	\$74,699	\$89,633	\$111,129	20.0%	24.0%	13.2%	9.7%	6.1%
Prospect Heights	\$57,019	\$62,731	\$70,721	10.0%	12.7%	21.4%	17.7%	15.6%
¾-mile Study Area Total	\$59,493	\$66,893	\$77,363	12.4%	15.7%	21.3%	19.4%	14.7%
Brooklyn	\$50,566	\$46,520	\$46,126	-8.0%	-0.8%	22.7%	25.1%	22.1%
New York City	\$58,513	\$55,435	\$53,033	-5.3%	-4.3%	18.9%	20.8%	19.4%
Notes:	Census Tract boundaries have changed since Census 2000 and the ¾-mile study area for 2010 (which is used for the 2007–2011 ACS) is slightly larger than the ¾-mile study area for 2000 presented in the 2006 FEIS. According to RPAD data, the 2010 study area contains 686 more residential units than the 2000 study area, in the Bedford-Stuyvesant and Boerum Hill subareas. The boundaries of some subareas have also changed since the 2000 Census: the 2010 Downtown Brooklyn subarea contains two blocks of the 2000 Fort Greene subarea; the 2010 Clinton Hill subarea contains five blocks of the 2000 Bedford-Stuyvesant subarea; and the 2010 Gowanus subarea contains one block of the 2000 Boerum Hill subarea. 1. The median income represents a weighted average of the median incomes of all the Census tracts and block groups in a given area. 2. Median incomes shown in constant 2013 dollars unless otherwise specified. 3. The ACS collects data throughout the period on an on-going, monthly basis and asks for respondents' income over the "past 12 months." The 2007–2011 ACS data therefore reflects incomes over 2007 and 2011, while Census 2000 data reflects income over the prior calendar year (1999). 4. Percent of population with incomes below established poverty level. The U.S. Census Bureau uses its established income thresholds poverty levels to define poverty levels.							
Sources:	U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census, Summary File 3; American Community Survey 2007–2011 Five-Year Estimates; February 2013 Consumer Price Index for New York-Northern New Jersey-Long Island, NY-NJ-CT-PA Area.							

The proportion of the population in the study area living below the poverty level has decreased since 2000, from 19.4 percent of the study area population to 14.7 percent between 2007 and 2011 (see **Table 4A-4**). Between 2000 and 2007–2011, the percentage of population living below the poverty level decreased in all census tracts in the study area. The percentage of population living below the poverty level in 2007–2011 was lowest in the Park Slope subarea (6.1 percent) and highest in the Bedford-Stuyvesant subarea (25.2 percent). These subareas had the highest and lowest median household income, respectively. Fort Greene also had a relatively high percentage of population living below the poverty level (22.0 percent), although it had a relatively high, and increasing, median household income. The relatively high percentage of population living in poverty is largely due to the presence of portions of the New York City Housing Authority (NYCHA) Ingersoll and Whitman Developments, while the influx of new residents attracted to the surrounding brownstone architecture have contributed to the relatively high median household income.

Prospect Heights

The Prospect Heights subarea contained 12,561 households in 2010, the second highest number of households after Park Slope (see **Table 4A-3**). As shown in **Table 4A-2**, in 2010, the proportions of African American and White residents were similar, with a slightly higher

proportion of White residents. Between 2000 and 2010, the proportion of African American residents decreased by approximately 21 percentage points (from 61.6 to 40.4 percent), and the proportion of White residents increased by approximately 20 percentage points (from 22.7 to 43.2 percent). Between 2000 and 2010, the number of Hispanic residents declined slightly, from 14.4 percent to 13.0 percent. The subarea's average household size of 2.19 persons per household was slightly higher than the average for the study area of 2.14, although it has decreased since 2000, when it was 2.34. As shown in **Table 4A-4**, the median household income in Prospect Heights was \$70,721, the third highest after Park Slope and Boerum Hill. This represents a 12.7 percent increase over the median household income in 1999, the last year for which data was reported in the 2006 FEIS. Approximately 15.6 percent of the population of the Prospect Heights subarea was living below the poverty level in 2007–2011, down from 17.7 percent in 2000 as reported in the 2006 FEIS. As discussed in detail below in the “Housing” section, the Prospect Heights subarea has become a more popular residential neighborhood, due to evolving retail along Vanderbilt Avenue and new residential development.¹

Park Slope

As shown in **Table 4A-3**, the Park Slope subarea contained 13,232 households in 2010, the highest number of households in the study area. As shown in **Table 4A-2**, the Park Slope subarea had the highest proportion of White residents in 2010 (76.3 percent), which represented an increase since 2000 (68.4 percent). Between 2000 and 2010, the proportion of African American residents in Park Slope declined from 14.5 to 9.1 percent, and the proportion of Hispanic and Latino residents declined from 17.6 to 12.5 percent. Overall, Park Slope had the lowest minority population of all the subareas in both 2000 and 2010. Park Slope was the only subarea to experience a slight increase in average household size between 2000 and 2010 (from 2.06 to 2.08 persons per household), but still had a lower average household size than the average for the study area as a whole in 2010 (2.14 persons per household). Median household income in Park Slope was \$111,129 in 2007–2011, the highest in the study area and more than double that of Brooklyn and New York City (see **Table 4A-4**). This represented a 24.0 percent increase over the 1999 median household income reported in the 2006 FEIS, when it was also the highest in the study area. Approximately 6.1 percent of the population in the Park Slope subarea was living below the poverty level in 2007–2011, down from 9.7 percent in 2000 as reported in the 2006 FEIS. In both 1990 and 2007–2011, Park Slope had the lowest percentage of population living below the poverty level in the study area. As discussed in detail below in the “Housing” section, the Park Slope subarea has experienced consistently increasing home prices and rental rates.

Gowanus

The Gowanus subarea had 3,865 households in 2010, a small number relative to the rest of the study area, and indicative of the subarea's predominantly industrial character (see **Table 4A-3**). As shown in **Table 4A-2**, compared with the other subareas, the racial and ethnic composition of the Gowanus population remained relatively stable between 2000 and 2010, with an overall 8.1 percentage point decrease in the total minority population. The average household size in Gowanus decreased since 2000, from 2.48 persons per household to 2.36 in 2010, the second highest in the study area after Bedford-Stuyvesant. As shown in **Table 4A-4**, median household

¹ “Prospect’-ing for sales: prices and activity on the rise in Prospect Heights.” *The Real Deal* website, June 1, 2013. Accessed June 19, 2013.

income was \$60,744 between 2007 and 2011, representing a slight increase since 1999. In contrast, median household income in Gowanus increased by 32 percent between 1989 and 1999—the highest increase of all the subareas during this time, and the most recent data reported in the 2006 FEIS. The percentage of population living below the poverty level was 18.7 percent in 2007–2011, a significant decrease from the 28.0 percent poverty rate in 2000, but the third highest rate in the study area. This is largely due to the presence of the Gowanus and 572 Warren Street NYCHA public housing developments, which house a total of 3,228 residents—accounting for 35 percent of the residential population of the subarea. As discussed in detail below in the “Housing” section, the Gowanus subarea has seen increasing residential demand while housing inventory remained relatively low.

Boerum Hill

As shown in **Table 4A-3**, the Boerum Hill subarea contained 6,372 households in 2010. As shown in **Table 4A-2**, in 2010 the Boerum Hill subarea had the second highest proportion of White residents (65.1 percent) after Park Slope, and the second lowest proportion of African American residents (16.9 percent) after Park Slope. Boerum Hill had the second highest proportion of Hispanic residents of all the subareas in 2010 (19.9 percent). Between 2000 and 2010, the Hispanic and Black populations in Boerum Hill each decreased by approximately 7 to 8 percentage points. The average household size for Boerum Hill decreased slightly between 2000 and 2010 (from 2.15 persons per household to 2.11). Median household income increased from \$76,466 in 1999 to \$85,205 in 2007–2011, in both decades representing the second highest median household income in the study area after Park Slope (see **Table 4A-4**). In contrast to Park Slope, which had a low 6.1 percent poverty rate from 2007–2011, Boerum Hill had a 14.8 percent poverty rate. While this was the third lowest in the study area, it was significantly higher than Park Slope. This is likely due to the presence of the Wyckoff Gardens NYCHA development, which houses 1,966 residents in the Boerum Hill subarea. As discussed in detail below in the “Housing” section, the Boerum Hill subarea contains few new developments, but residential demand has continued to increase.

Downtown Brooklyn

Downtown Brooklyn had 3,109 households in 2010, which represented an increase from 2,598 in 2000, but the lowest number in the study area (see **Table 4A-3**). As shown in **Table 4A-2**, the minority population in Downtown Brooklyn decreased from 86.7 percent in 2000 to 68.9 percent in 2010, but still remained higher than the percentage of minority residents in Brooklyn as a whole (64.3 percent). As described above, Downtown Brooklyn is a primarily commercial district with a growing residential population. Average household size in Downtown Brooklyn was 2.07 in 2010, a decrease from 2.28 in 2000. Reflecting the population introduced by new market rate residential development in the area, median household income in Downtown Brooklyn increased by 40.9 percent between 1999 and 2007–2011, from \$51,619 to \$72,720 (see **Table 4A-4**). Median household income in Downtown Brooklyn was the second lowest in the study area as reported in the 2006 FEIS, and has since increased to the third highest in the study area after Park Slope and Boerum Hill. The poverty rate in Downtown Brooklyn decreased between 2000 and 2007–2011, from 26.4 percent to 17.8 percent.

Fort Greene

Fort Greene was the only subarea to experience a decrease in total households since the data presented in the 2006 FEIS. As shown in **Table 4A-3**, Fort Greene had 6,309 households in 2010, down from 6,463 in 2000. The minority population in Fort Greene decreased from 83.5

percent of the population in 2000 to 69.1 percent of the population in 2010 (see **Table 4A-2**). Most of this decrease was seen in the African American population, which decreased by approximately 16 percentage points. At the same time, Fort Greene was one of the only subareas to experience an increase in the proportion of Hispanic residents, from 11.5 to 16.1 percent. As discussed in detail below in the “Housing” section, the Fort Greene subarea experienced relatively little residential development during this time.¹ Average household size decreased during this time, from 2.19 persons per household to 2.08. Median household income in Fort Greene was \$63,556 in 2007–2011, a notable 17.9 percent increase since 2000 (see **Table 4A-4**). The poverty rate decreased since the 2000 data presented in the 2006 FEIS, but at 22.0 percent it was still the second highest in the study area in 2007–2011.

Clinton Hill

As shown in **Table 4A-3**, Clinton Hill had 10,808 households in 2010, and the average household size decreased from 2000 to 1.99—the lowest in the study area. As shown in **Table 4A-2**, the racial and ethnic composition of the Clinton Hill population is similar to that of the nearby Fort Greene subarea, with a lower percentage of Hispanic residents (9.8 percent)—the lowest in the study area. The total minority population in Clinton Hill decreased by 19 percentage points between 2000 and 2010, but is similar to that of Brooklyn as a whole. Median household income was \$65,673 in 2007–2011, similar to neighboring Fort Greene, but lower than the median for the study area (see **Table 4A-4**). Median household income in Fort Greene increased by 7.8 percent compared with the data for 2000 presented in the 2006 FEIS. The poverty rate decreased during this time, from 17.4 percent in 1999 to 13.6 percent in 2007–2011.

Bedford-Stuyvesant

The Bedford-Stuyvesant subarea had 3,624 households in 2010 (see **Table 4A-3**). As shown in **Table 4A-2**, the proportion of White residents in Bedford-Stuyvesant increased from 4.7 percent in 2000 to 22.1 percent in 2010, but was still the lowest in the study area and lower than in Brooklyn as a whole. Bedford-Stuyvesant was also one of the only subareas to experience an increase in the proportion of Hispanic residents, from 12.4 percent in 2000 to 16.0 percent in 2010. The average household size decreased between 2000 and 2010, from 2.76 persons per household to 2.55. From 1990 to 2010, the Bedford-Stuyvesant subarea had the highest average household size in the study area. As shown in **Table 4A-4**, median household income in Bedford-Stuyvesant increased by 18.3 percent between 1999 and 2007–2011, from \$39,430 to \$46,661. Though median household income in Bedford-Stuyvesant remains the lowest in the study area, it is now higher than the median for Brooklyn. In the 2006 FEIS existing conditions, Bedford-Stuyvesant was the only subarea for which median household income was lower than in Brooklyn as a whole. The percent of population living below the poverty level in Bedford-Stuyvesant decreased from 32.5 percent in 2000 to 25.2 percent in 2007–2011. As discussed in detail below in the “Housing” section, the Bedford-Stuyvesant subarea has experienced an increase in residential demand since the 2006 FEIS.

¹ While the 2010 Fort Greene subarea is slightly smaller than the 2000 Fort Green subarea, the blocks that shifted to the Downtown Brooklyn subarea in 2010 contain primarily commercial uses, and would not likely account for a change in population.

HOUSING

The number of housing units in the ¼-mile study area increased at a higher rate between 2000 and 2010 than in Brooklyn and New York City as a whole (see **Table 4A-5**). Approximately 5,874 housing units were added to the study area during this time, for an increase of 9.8 percent. The study area gained more housing units proportionally between 2000 and 2010 than between 1990 and 2000, the last year for which data was presented in the 2006 FEIS. Most subareas experienced higher proportional increases in housing units between 2000 and 2010 than the previous decade, with the exception of Bedford-Stuyvesant and Fort Greene. Between 2000 and 2010, Downtown Brooklyn gained the most housing units of all the subareas, with an increase of 71.5 percent. Boerum Hill and Gowanus experienced the next largest increases in housing units, gaining 13.3 percent and 11.9 percent, respectively. Fort Greene experienced the least amount of residential development, with an increase of 0.7 percent in housing units. As described below in the discussion of subareas, most of the new residential units built since the 2006 FEIS were built in 2007 and 2008. Though the study area was affected by the 2008 recession, many of the subareas had established residential markets with a limited supply of desirable brownstone buildings, which limited the effects on these specific markets. However, some developers of new residential buildings in Downtown Brooklyn and along 4th Avenue between Gowanus and Park Slope were forced to convert condominium projects to rentals during this time. As described in detail below, the housing market in the study area has since become more robust, and rents have continued to rise. Brownstone Brooklyn neighborhoods recovered quickly after the downturn of the market, as housing supply remained low in these areas, and new development has continued in Downtown Brooklyn and in eastern portions of the study area.

**Table 4A-5
Housing Characteristics: 1990, 2000, and 2010**

Area	Total Housing Units					Occupancy Status (Percent)						Housing Tenure (Percent)					
	1990	2000	Percent Change 1990-2000	2010	Percent Change 2000-2010	Occupied			Vacant			Owner			Renter		
						1990	2000	2010	1990	2000	2010	1990	2000	2010	1990	2000	2010
Bedford-Stuyvesant	3638	3,914	7.6%	4,053	3.6%	90.1	87.2	89.4	9.9	12.8	10.6	17.1	17.7	16.1	82.9	82.3	83.9
Boerum Hill	5,931	5,938	0.1%	6,725	13.3%	90.5	95.2	94.8	9.5	4.8	5.2	19.7	22.0	27.1	80.3	78.0	72.9
Clinton Hill	10,058	10,874	8.1%	11,834	8.8%	93.3	92.0	91.3	6.7	8.0	8.7	23.7	24.5	30.2	76.3	75.5	69.8
Downtown Brooklyn	2,349	2,725	16.0%	4,673	71.5%	92.7	95.3	66.5	7.3	4.7	33.5	15.5	22.1	33.4	84.5	77.9	66.6
Fort Greene	6,418	6,780	5.6%	6,826	0.7%	91.9	95.3	92.4	8.1	4.7	7.6	14.4	16.8	19.1	85.6	83.2	80.9
Gowanus	3,312	3,594	8.5%	4,021	11.9%	94.9	96.2	96.1	5.1	3.8	3.9	18.0	18.0	19.6	82.0	82.0	80.4
Park Slope	13,317	13,603	2.1%	13,990	2.8%	91.3	95.6	94.6	8.7	4.4	5.4	32.8	34.3	39.3	67.2	65.7	60.7
Prospect Heights	11,320	12,345	9.1%	13,525	9.6%	91.0	93.5	92.9	9.0	6.5	7.1	18.2	27.5	23.9	81.8	72.5	76.1
¼-mile Study Area Total	56,343	59,773	6.1%	65,647	9.8%	91.8	93.9	91.2	8.2	6.1	8.8	22.2	25.3	28.0	77.8	74.7	72.0
Brooklyn	873,671	930,866	6.5%	1,000,293	7.5%	94.8	94.6	91.7	5.2	5.4	8.3	25.9	27.1	27.7	74.1	72.9	72.3
New York City	2,992,169	3,200,912	7.0%	3,371,062	5.3%	94.2	94.4	92.2	5.8	5.6	7.8	28.6	30.2	31.0	71.4	69.8	69.0
Notes:	Census Tract boundaries have changed since Census 2000 and the ¼-mile study area for 2010 (which is used for the 2007–2011 ACS) is slightly larger than the ¼-mile study area for 2000 presented in the 2006 FEIS. According to RPAD data, the 2010 study area contains 686 more residential units than the 2000 study area, in the Bedford-Stuyvesant and Boerum Hill subareas. The boundaries of some subareas have also changed since the 2000 Census: the 2010 Downtown Brooklyn subarea contains two blocks of the 2000 Fort Greene subarea; the 2010 Clinton Hill subarea contains five blocks of the 2000 Bedford-Stuyvesant subarea; and the 2010 Gowanus subarea contains one block of the 2000 Boerum Hill subarea.																
Sources:	U.S. Department of Commerce, Bureau of the Census, 1980, 1990, 2000, and 2010 Census, Summary File 1.																

While the data in the 2006 FEIS showed a decrease in the owner and renter residential vacancy rate for the study area and for all but two of the subareas between 1990 and 2000, vacancy generally increased in the study area between 2000 and 2010. In 2010 the study area had a higher proportion of vacant units than Brooklyn and New York City as a whole. The vacancy rate in the study area was 8.8 percent in 2010, compared with 8.3 percent in Brooklyn and 7.8 percent in New York City. In all three of these areas, and all but one of the subareas, the vacancy rate represents an increase since 2000. This is due to several factors, including the fact that 2010 Census data reflect the downturn of the housing market in 2008, as well as the results of new residential development in Downtown Brooklyn, discussed in detail below. Based on discussions with brokers, in 2012 and 2013 the housing market in the study area experienced the most substantial increases in rents and sales prices since the 2008 downturn. Given these recent trends (discussed in detail below) current vacancy rates are lower than in 2010.

The proportion of renters in the study area in 2010 was slightly lower than in Brooklyn and slightly higher than in New York City, with 72.0 percent of residential units renter-occupied, compared with 72.3 percent in Brooklyn and 69.0 percent in New York City. Since 2000, the proportion of renters decreased in the study area, Brooklyn, and New York City. Within the study area, renters are most concentrated in Bedford-Stuyvesant, where 83.9 percent of occupied units were rentals in 2010. Homeowners are most concentrated in Park Slope and Downtown Brooklyn, where they account for greater proportions of occupied units than in Brooklyn and in New York City as a whole. Since the 2000 data presented in the 2006 FEIS, home-ownership rates increased in all of the subareas except for Bedford-Stuyvesant and Prospect Heights.

Median home value and contract rent both increased in the $\frac{3}{4}$ -mile study area since the 2006 FEIS. Clinton Hill and Bedford-Stuyvesant experienced the highest increases in home values between 2000 and 2007–2011, while Downtown Brooklyn and Park Slope experienced the highest increases in median contract rent during this time (see **Table 4A-6**). Median home value data reported in the census and ACS are based on respondents' estimates of how much their properties would sell for if they were for sale, and the median contract rent data include data for rent-regulated and rent-controlled apartments. Therefore, both of these data sets do not always accurately reflect true market rental rates and sale prices. In order to develop a more accurate picture of the current residential real estate market in the $\frac{3}{4}$ -mile study area, the discussions below of each subarea focus on data from the census and the ACS supplemented with information from local brokerage firms and real estate websites.

Prospect Heights

Housing stock in Prospect Heights ranges from historic townhouses, to four- to six-story brick apartment buildings, to new, modern apartment buildings. The condition of the housing stock varies throughout the subarea. Since the 2006 FEIS, several new buildings have been built and older townhouses have been renovated east of Washington Avenue. Prospect Heights has become more popular as a residential neighborhood since the 2006 FEIS, due the continuing trend of new restaurants and bars first along Vanderbilt Avenue and now also along Washington Avenue, as well as the brownstone architecture throughout the area. Since the 2006 FEIS, several new residential developments have been completed in the Prospect Heights subarea. Examples of the larger developments include the 67-unit building at 824 Bergen Street built in 2008, the 38-unit condominium building at 892 Bergen Street built in 2009, and Mark Plus, a 36-unit condominium building built in 2007 at 542 Saint Mark's Avenue.

Table 4A-6

Median Home Value and Contract Rent: 1990, 2000, and 2007–2011

Area	Median Home Value (in 2013 Dollars) ¹			Median Contract Rent (in 2013 dollars) ¹			Percent Change (Median Contract Rent)	
	2000	2011	Percent Change 2000-2011	1990	2000	2011	1990-2000	2000-2011
Bedford-Stuyvesant	\$279,108	\$684,361	145.2%	\$588	\$731	\$975	24.4%	33.3%
Boerum Hill	\$672,629	\$925,359	37.6%	\$934	\$1,154	\$1,289	23.6%	11.7%
Clinton Hill	\$278,079	\$682,881	145.6%	\$851	\$992	\$1,225	16.5%	23.5%
Downtown Brooklyn	\$514,252	\$538,491	4.7%	\$819	\$819	\$1,580	0.0%	92.8%
Fort Greene	\$544,532	\$696,935	28.0%	\$819	\$935	\$1,150	14.1%	23.0%
Gowanus	\$559,738	\$914,557	63.4%	\$802	\$935	\$1,126	16.6%	20.4%
Park Slope	\$543,688	\$889,198	63.5%	\$1,102	\$1,310	\$1,797	18.9%	37.1%
Prospect Heights	\$309,415	\$634,382	105.0%	\$848	\$1,063	\$1,328	25.3%	25.0%
¾-mile Study Area Total	\$442,804	\$765,465	72.9%	\$883	\$1,051	\$1,342	19.0%	27.7%
Brooklyn	\$331,801	\$590,423	77.9%	\$816	\$899	\$996	10.1%	10.8%
New York City	\$306,757	\$532,601	73.6%	\$854	\$935	\$1,045	9.5%	11.7%
Notes:	Census Tract boundaries have changed since Census 2000 and the ¾-mile study area for 2010 (which is used for the 2007–2011 ACS) is slightly larger than the ¾-mile study area for 2000 presented in the 2006 FEIS. According to RPAD data, the 2010 study area contains 686 more residential units than the 2000 study area, in the Bedford-Stuyvesant and Boerum Hill subareas. The boundaries of some subareas have also changed since the 2000 Census: the 2010 Downtown Brooklyn subarea contains two blocks of the 2000 Fort Greene subarea; the 2010 Clinton Hill subarea contains five blocks of the 2000 Bedford-Stuyvesant subarea; and the 2010 Gowanus subarea contains one block of the 2000 Boerum Hill subarea. 1. Values were calculated by taking the weighted average of median contract rent and median house value of all the Census Tracts and Block Groups in a given subarea. All dollar values are presented in 2013 constant dollars							
Sources:	U.S. Department of Commerce, Bureau of Census, 1990 and 2000 Census, Summary File 1 and Summary File 3; American Community Survey 2007–2011 Five-Year Estimates; February 2013 Consumer Price Index for New York-Northern New Jersey-Long Island, NY-NJ-CT-PA Area.							

According to the Census, there were 13,525 housing units in Prospect Heights in 2010—an increase of 9.6 percent from 2000, following an increase of 9.1 percent during the previous decade (see **Table 4A-5**). The owner-occupancy rate in the Prospect Heights subarea was 23.9 percent, which was lower than the study area average of 28.0 percent. This represented a reverse from the previous decade, when the owner-occupancy rate in Prospect Heights (27.5 percent) was higher than the study area average (25.3 percent). The vacancy rate in Prospect Heights was 7.1 percent in 2010, which was lower than the study area average of 8.8 percent. This also represented a reversal from the previous decade, when the vacancy rate in Prospect Heights was lower than in 2010 but higher than the average for the study area.

According to 2007–2011 ACS data, the median home value in the Prospect Heights subarea was \$634,382, which was lower than the median for the study area (\$765,465) but higher than that of Brooklyn and New York City as a whole (\$590,423 and \$532,601, respectively) (see **Table 4A-6**). Since 2000, the last year for which data was reported in the 2006 FEIS, the median home value in Prospect Heights increased 105.0 percent—the third highest proportional increase in the study area after Clinton Hill and Bedford-Stuyvesant. Median home value in Prospect Heights has increased substantially since the 2000 data reported in the 2006 FEIS, when it had the second lowest value in the study area (\$309,415) (in 2013 dollars). Median contract rent increased at a slower rate than median home value during this time (by 25.0 percent), which was similar to the average increase in the study area.

According to a survey of 36 rental listings in the Real Estate section of the *New York Times* website conducted in April 2013, median monthly rental rates in Prospect Heights were \$1,650 for studio, \$2,525 for one-bedroom, \$3,400 for two-bedroom, and \$3,850 for three-bedroom units.¹ According to a survey of 39 listings on Streeteasy.com conducted in November 2013, the median listing prices for the Prospect Heights subarea were \$492,500 for one-bedroom units, \$870,000 for two-bedroom units, and \$1.5 million for three bedroom units.

Park Slope

Residential building stock in the Park Slope subarea consists primarily of well-preserved brownstones, similar to the context described in the 2006 FEIS. Since the 2006 FEIS, some new development has occurred on and near Fourth Avenue, in the western portion of the subarea. In general, the Park Slope subarea has seen an ongoing trend of increasing home prices and rental rates.

As shown in **Table 4A-5**, there were 13,990 housing units in Park Slope in 2010. This represented an increase of 2.8 percent from 2000, following the increase of 2.1 percent from 1990 as reported in the 2006 FEIS. The owner-occupancy rate in the Park Slope subarea was 39.3 percent—higher than the averages for the study area, Brooklyn, and New York City as a whole, and continuing the trend from the previous two decades. Park Slope had a 5.4 percent vacancy rate in 2010, an increase from 2000 but lower than the average rates for the study area, Brooklyn, and New York City as a whole.

According to 2007–2011 ACS data, the median home value in Park Slope was \$889,198, an increase of 63.5 percent since the 2000 FEIS data (see **Table 4A-6**). Based on ACS data, this was the third highest median home value in the study area after Boerum Hill and Gowanus, though it may actually be the second highest due to data issues for the Gowanus subarea described in detail below. Median contract rent increased at a slower pace during this time, from \$1,310 in 2000 (in 2013 dollars) to \$1,797 in 2007–2011. This represented the highest median contract rent in the study area in 2007–2011, and was almost twice the median contract rent for Brooklyn (\$996).

According to a survey of 28 listings on Streeteasy.com conducted in November 2013, the median listing prices for the Park Slope subarea were \$577,000 for one-bedroom units, \$947,000 for two-bedroom units, and \$1.5 million for three bedroom units. These were generally comparable to listings in the Boerum Hill subarea. According to a survey of 38 rental listings in the Real Estate section of the *New York Times* website conducted in April 2013, median monthly rents in Park Slope were \$1,975 for studio, \$2,450 for one-bedroom, \$3,475 for two-bedroom, and \$4,350 for three-bedroom units.²

¹ The *New York Times* website Real Estate section defines Prospect Heights as the area roughly bounded by Atlantic Avenue to the north, Eastern Parkway to the south, Classon Avenue to the east, and Flatbush Avenue to the west. This is slightly smaller than the Prospect Heights subarea analyzed in the SEIS, which extends to Franklin Avenue in the east.

² The *New York Times* website Real Estate section defines Park Slope as the area roughly bounded by Flatbush Avenue to the north, 9th Street to the south, Prospect Park West to the east, and Fourth Avenue to the west. This is slightly larger than the Park Slope subarea analyzed in the SEIS, as the ¾-mile perimeter limits the subarea to 1st, 2nd, and 3rd Streets in the south.

Residential development in Park Slope since the 2006 FEIS has been on a smaller scale, with primarily four- and five-story buildings designed to fit within the streetscape of the brownstone-lined streets. The larger developments are concentrated on and near Fourth Avenue and were built in 2007 and 2008. Examples of new residential developments in Park Slope include C560, a 12-story, 43-unit rental and condominium building at 560 Carroll Street; the Elan, a 12-story, 32-unit condominium building at 255 1st Street; the Heritage, a lower scale, four-floor, 21-unit condominium building at 309 2nd Street; and the Vermeil, a newer development farther east in the Park Slope subarea that contains 22 condominium units in a five-story new building attached to an older brownstone.

Gowanus

Housing stock in the Gowanus subarea is generally low-scale and clustered in the eastern and western portions of the subarea, farther from the industrial development immediately adjacent to the Gowanus canal. The Gowanus subarea has seen an increase in residential demand since the 2006 FEIS, though the inventory of residential units has stayed relatively low in this industrial neighborhood. New restaurants and the future Whole Foods grocery store have made the area more attractive, as well as its location between the established markets in Carroll Gardens and Park Slope, but residential development is limited by zoning.¹ While the area was planned for rezoning in 2008 and 2009, the 2010 designation of the Gowanus Canal as a Superfund Site stalled these plans.² However, residential development has continued to proceed with rezoning in a limited area. One notable project is the Lightstone Group's planned 700-unit development at 363-365 Bond Street.³

According to the Census, there were 4,021 housing units in the Gowanus subarea in 2010—an increase of 11.9 percent since the 2000 data reported in the 2006 FEIS (see **Table 4A-5**). The owner-occupancy rate in Gowanus was 19.6 percent, the third lowest in the study area, and a slight increase over the previous two, relatively stable decades. The Gowanus subarea had a 3.9 percent vacancy rate in 2010, the lowest in the study area and relatively unchanged from 2000.

According to ACS data, the median home value for the Gowanus subarea in 2007–2011 was \$914,557—the highest in the study area (see **Table 4A-6**). This is largely due to the low number of owner-occupied housing units in the subarea, and the fact that those units trend toward the higher end of the market. There were three block groups in the subarea for which no median home value was reported in the 2007–2011 ACS data. Two of these block groups are completely occupied by the Gowanus NYCHA development, and one is partially occupied by the 572 Warren Street NYCHA development and a concentration of industrial uses. In contrast, median contract rent was reported for every block group in the subarea, and reveals some of the disparity in rents and income due to the public housing developments. 2007–2011 median contract rents in Gowanus ranged from \$454 to \$1,911, with a median of \$1,126 for the subarea. This was the second-lowest median contract rent in the study area after Bedford-Stuyvesant, though it represents an increase of 20.4 percent since the 2000 data presented in the 2006 FEIS.

¹ “Gowanus gets ready.” *The Real Deal* website, March 1, 2013. Accessed June 19, 2013.

² “In Gowanus, Big Development Can Wait.” *The New York Times* website, July 29, 2011. Accessed June 19, 2013.

³ This planned development is located just outside of the socioeconomic study area boundary, and has not been included in calculations of future population.

Current real estate listings reflect the same issue that affects ACS home value data in Gowanus. In a search for listings in the Real Estate section of the *New York Times* website conducted in April 2013, only 14 units or buildings were found for sale.¹ A search for listings on Streeteasy.com conducted in November 2013 returned no results. Of those listed in the Real Estate section of the *New York Times* website the median price for a condominium unit was \$710,000 for a condo. There was a slightly larger inventory of rental units in Gowanus (25 units), and prices trended toward the high end of the market; median monthly rents were \$2,488 for studio, \$2,975 for one-bedroom, \$3,775 for two-bedroom, and \$7,500 for three-bedroom units.

Since the 2006 FEIS, several new residential developments have been completed in the Gowanus subarea. These developments are generally lower in scale in the western portion of the subarea, closer to the Carroll Gardens neighborhood and the Cobble Hill subarea, and larger along Fourth Avenue. Large developments include the Arias Park Slope, a 95-unit condominium-turned-rental building at 152 Fourth Avenue. Other new residential developments in Gowanus include Park Slope Court at 110 Fourth Avenue, a 49-unit building built in 2007; and Baltic Tower, a larger development in the western portion of the subarea containing 36 condominium units in an 11-story building built in 2007.

Boerum Hill

The housing stock in the Boerum Hill subarea has not considerably changed since the 2006 FEIS, and consists of three- and four-story historic townhouses throughout the study area, and the Wyckoff Gardens NYCHA development in the southeastern portion of the subarea. As shown in **Table 4A-5**, there were 6,725 housing units in Boerum Hill in 2010. This represented an increase of 13.3 percent over the 2000 total presented in the 2006 FEIS (5,938 units), which had remained stable from the previous decade (5,931 units). The owner-occupancy rate in Boerum Hill was 27.1 percent in 2010, the second highest in the study area after Park Slope, and an increase over the 2000 rate presented in the 2006 FEIS (22.0 percent). Boerum Hill had a 5.2 percent vacancy rate in 2010, the second lowest after Gowanus, which is likely low because of the presence of NYCHA housing discussed above.

The median home value for the Boerum Hill subarea was \$925,359 in 2007–2011 (see **Table 4A-6**). This was the highest median home value in the study area, and represents a 37.6 percent increase over the 2000 value presented in the 2006 FEIS, which was also the highest in the study area at the time. In contrast, median contract rent in Boerum Hill was lower than the median for the study area (\$1,289 compared with \$1,342) (in 2013 dollars). This is likely due to the disparity between rental and owner-occupied housing in the subarea. Several of the block groups in the subarea contain the Wyckoff Gardens and 572 Warren Street NYCHA housing developments, as well as the Schermerhorn, an affordable housing development completed in 2009. These rents bring the median rental rate down, in a subarea with otherwise expensive real estate.

¹ The New York Times website Real Estate section defines Gowanus as the area roughly bounded by Wyckoff Street to the north, I-278 to the south, Fourth Avenue to the east, and Hoyt and Smith Streets to the south. This is larger than the Gowanus subarea analyzed in the SEIS, as the ¾-mile perimeter limits the subarea to Carroll Street in the south, and the northern and western boundaries are less linear.

According to a survey of 34 Boerum Hill listings in the Real Estate section of the *New York Times* website conducted in April 2013, median monthly rents in Boerum Hill were \$2,400 for studio, \$2,700 for one-bedroom, \$3,700 for two-bedroom, and \$7,065 for three-bedroom units.¹ According to a survey of nine listings on Streeteasy.com conducted in November 2013, the median listing prices for the Boerum Hill subarea were \$574,500 for one-bedroom units and \$850,000 for two-bedroom units.

Similar to the Park Slope subarea, the Boerum Hill subarea contains few new developments built since the 2006 FEIS. Many of the largest new developments are located in the northwestern portion of the study area, closest to the Downtown Brooklyn subarea. Examples of new residential developments in Boerum Hill include The Schermerhorn, a 190-unit rental building at 160 Schermerhorn Street built in 2007, and the Atlantic Stamp Building, a 26-unit condominium building at 307 Atlantic Avenue built in 2008.

Downtown Brooklyn

The housing stock in Downtown Brooklyn has changed dramatically since the 2006 FEIS. The subarea is still primarily commercial, but new residential development is concentrated in modern towers in the northern portion of the study area, near MetroTech Center and on either side of Flatbush Avenue. The most recent data reported in the 2006 FEIS pre-dated the 2004 Downtown Brooklyn rezoning, which resulted in a large increase in residential development in that subarea. As shown in **Table 4A-5**, the Downtown Brooklyn subarea had 4,673 housing units in 2010, a substantial 71.5 percent increase from the 2000 data presented in the 2006 FEIS. The owner-occupancy rate in Downtown Brooklyn was 33.4 percent in 2010—the second highest in the study area after Park Slope, and an increase of 34.3 percent from 2000. The Downtown Brooklyn subarea had a high 33.5 percent vacancy rate in 2010. According to the Census, 44.0 percent of vacant housing units in Downtown Brooklyn were vacant and for rent, and 18.4 percent—the highest proportion of all the subareas—were for sale. Another 30.4 percent of vacant housing units in Downtown Brooklyn were classified as “other vacant,” which includes new units not yet occupied as vacant housing units, if construction has reached a point where all exterior windows and doors are installed and final usable floors are in place.² These data reflect the fluctuating housing market in Downtown Brooklyn, where new units have been built at a rapid pace, and many that were for sale were converted to rental units after the crash of the housing market 2008.

According to ACS data, the median home value for 2007–2011 in the Downtown Brooklyn subarea was \$538,491, an increase of 4.7 percent from the 2000 data presented in the 2006 FEIS (see **Table 4A-6**). Based on this data, median home value in Downtown Brooklyn was the lowest in the study area and lower than the Brooklyn average. In contrast, median contract rent was the second highest in the study area (\$1,580), and almost double the median contract rent in 2000 (\$819) (in 2013 dollars). This represents a notably different trend than between 1990 and

¹ The New York Times website Real Estate section defines Boerum Hill as the area roughly bounded by Schermerhorn Street to the north, Wyckoff Street to the south, Fourth Avenue to the east, and Court Street to the west. This is slightly larger than the Boerum Hill subarea analyzed in the SEIS, and notably does not include the block groups containing NYCHA housing.

² “Housing Characteristics from STF3 APPENDIX B, “Definitions of Subject Characteristics.” Census.gov, accessed May 16, 2013.

2000, when median contract rent in Downtown Brooklyn was largely stagnant. The disparity between home values and rents in Downtown Brooklyn is likely due to the fact that many condominium units constructed after the 2004 rezoning were converted to rental units after the 2008 recession. As the market has recovered, rental projects have been easier to finance, making them more economically feasible for developers than condominiums. This has resulted in a number of large, luxury rental developments in the area.¹

According to a survey of 40 rental listings in the Real Estate section of the *New York Times* website conducted in April 2013, median monthly rents in Downtown Brooklyn were \$2,330 for studio, \$3,124 for one-bedroom, \$4,213 for two-bedroom, and \$4,996 for three-bedroom units. According to a survey of 28 listings on Streeteasy.com conducted in November 2013, the median listing prices for the Downtown Brooklyn subarea were \$559,500 for one-bedroom units and \$875,000 for two-bedroom units.²

Since the 2006 FEIS, several new developments containing over 1,800 units were built in the Downtown Brooklyn subarea. Examples of new residential developments in the Downtown Brooklyn subarea include the Avalon, which contains 631 rental units in a 42-story building at 343 Gold Street; the Toren, directly south of the Avalon at 150 Myrtle Avenue, which contains 239 condominium units in a 37-story building; and DKL B KLN, located at 80 DeKalb Avenue, which is a 36-story, 369-unit rental building. Other examples include Be at Schermerhorn, a 25-story 246-unit rental and condominium building located at 189 Schermerhorn Street, and the Addison, a 271-unit rental building at 236 Livingston Street.

Fort Greene

Housing in Fort Greene has not changed substantially since the 2006 FEIS, and consists of historic townhouses throughout the subarea, and a portion of the NYCHA Ingersoll Houses development north of Fort Greene Park. As shown in **Table 4A-5**, the Fort Greene subarea had 6,826 housing units in 2010, a slight increase over the total units in 2000 presented in the 2006 FEIS (6,780). The owner-occupancy rate was 19.1 percent in 2010, the second lowest in the study area after Bedford-Stuyvesant. The Fort Greene subarea had a 7.6 percent vacancy rate in 2010, lower than the vacancy rate for the study area but an increase from the 2000 rate in the 2006 FEIS (4.7 percent).

According to ACS data, the median home value for 2007–2011 in the Fort Greene subarea was \$696,935, an increase of 28 percent over the 2000 value reported in the 2006 FEIS (see **Table 4A-6**). Median contract rent in Fort Greene increased at a similar rate during this time, from \$935 in 2000 (in 2013 dollars) to \$1,150 during 2007–2011.

According to a survey of 60 listings in the Real Estate section of the *New York Times* website conducted in April 2013, the median listing price for co-ops in Fort Greene was \$549,000 and \$642,000 for condominiums.³ Units in multi-family buildings had a median listing price of \$2.1

¹ “Brooklyn’s building bonanza.” *The Real Deal* website, March 1, 2013. Accessed November 13, 2013.

² The New York Times website Real Estate section defines Downtown Brooklyn as the area roughly bounded by York Street to the north, Schermerhorn Street to the south, Navy Street/Ashland Place to the east, and Clinton Street and Cadman Plaza West to the west.

³ The New York Times website Real Estate section defines Fort Greene as the area roughly bounded by Flushing Avenue to the north, Atlantic Avenue to the south, Vanderbilt Avenue to the east, and Flatbush

million, and single-family homes had a median listing price of \$2.0 million. Median monthly rents in Fort Greene were \$1,795 for studio, \$1,950 for one-bedroom, \$2,600 for two-bedroom, and \$4,200 for three-bedroom units.

Several new residential developments were built in the Fort Greene subarea since the 2006 FEIS, most of which contained only two to eight units. An example of a larger new residential development in Fort Greene is the Atlantic Terrace, a 10-story, 80-unit co-op building at 212 South Oxford Street.

Clinton Hill

Several new buildings have been built throughout the Clinton Hill subarea since the 2006 FEIS, and conditions have improved in the eastern portion. As shown in **Table 4A-5**, the Clinton Hill subarea had 11,834 housing units in 2010, an increase of 8.8 percent over the 2000 total presented in the 2006 FEIS (10,874 units). Owner-occupied housing units accounted for 30.2 percent of occupied housing units in Clinton Hill, representing the third highest owner-occupancy rate in the study area. The vacancy rate in Clinton Hill was 8.7 percent in 2010, similar to the rate for the study area as a whole, and only a slight increase over the 2000 rate presented in the 2006 FEIS (8.0 percent).

According to 2007–2011 ACS data, the median home value in the Clinton Hill subarea was \$682,881—a significant 146 percent increase over the 2000 value presented in the 2006 FEIS (see **Table 4A-6**). While the Clinton Hill subarea had the lowest median home value in 2000, the 2007–2011 value was higher than Prospect Heights and Downtown Brooklyn. Median rent in Clinton Hill increase at a more modest rate, from \$992 in 2000 (in 2013 dollars) to \$1,225 in 2007–2011, an increase of 23.5 percent.

According to a survey of 39 rental listings in the Real Estate section of the *New York Times* website conducted in September 2013, median monthly rents in Clinton Hill were \$1,975 for studio and one-bedroom units and \$2,950 for two-bedroom and three-bedroom units.¹ According to a survey of 24 listings on Streeteasy.com conducted in November 2013, the median listing prices for the Clinton Hill subarea were \$417,000 for one-bedroom units and \$520,000 for two-bedroom units.

Since the 2006 FEIS, many new residential developments in the Clinton Hill subarea have been built close to Atlantic Avenue in the southern portion of the subarea, Myrtle Avenue in the northern portion of the subarea, and between Grand Avenue and Classon Avenue. Examples of the larger new developments include the Isabella, a seven-story, 63-unit condominium building at 545 Washington Avenue; the Clermont Greene, a six-story, 73-unit rental and condominium building at 181 Clermont Avenue; and the 31-unit condominium development at 324 Grand Avenue.

Avenue Extension and Ashland Place/Navy Street to the west. This is slightly larger than the Fort Greene subarea analyzed in the SEIS, as the $\frac{3}{4}$ -mile perimeter limits it to Park Avenue in the north, and the subarea ends at Clermont Avenue and Adelphi Street in the east.

¹ The New York Times website Real Estate section defines Clinton Hill as the area roughly bounded by Flushing Avenue to the north, Atlantic Avenue to the south, Classon Avenue to the east, and Vanderbilt Avenue to the west. This is larger than the Clinton Hill subarea analyzed in the SEIS, which is limited by the $\frac{3}{4}$ -mile perimeter to Myrtle Avenue in the north.

Bedford-Stuyvesant

Since the 2006 FEIS, the residential market in the Bedford-Stuyvesant subarea experienced an increase in residential demand that slowed during the recession and has since been increasing. The increase in demand was spurred by the development of new retail and restaurants, as well as the attraction of the tree-lined brownstone streets in the area.¹ There have also been several new residential developments in the Bedford-Stuyvesant subarea since the 2006 FEIS, including a six-story, 72-unit condominium development at 315 Gates Street; the Lineage, a four-story, 48-unit condominium building at 315 Greene Avenue; and the six-floor, 29-unit condominium development at 1142 Bedford Avenue.

According to the Census, there were 4,053 housing units in the Bedford-Stuyvesant subarea in 2010—an increase of only 3.6 percent since the 2000 data reported in the 2006 FEIS (see **Table 4A-5**). The Bedford-Stuyvesant subarea had the lowest owner-occupancy rate in the study area in 2010 (16.1 percent), which represented a slight decrease from the previous decade (17.7 percent), when it was second lowest after Fort Greene. Bedford-Stuyvesant had a vacancy rate of 10.6 percent in 2010, the second highest in the study area after Downtown Brooklyn, but the only vacancy rate to decrease since the 2000 data presented in the 2006 FEIS.

According to 2007–2011 ACS data, the median home value in the Bedford-Stuyvesant subarea was \$684,361 (see **Table 4A-6**). This represented a significant 145 percent increase over the 2000 value presented in the 2006 FEIS. This is likely due to the concentration of historic brownstones in the area. Median contract rent increased at a more modest pace since 2000, from \$731 to \$975 (in 2013 dollars), and was still the lowest median contract rent in the study area in 2007–2011.

According to a survey of 74 listings in the Real Estate section of the *New York Times* website conducted in April 2013, the median listing price for co-ops in Bedford-Stuyvesant was \$431,500 and \$464,000 for condominiums. Median monthly rents in Bedford-Stuyvesant were \$1,750 for studio, \$2,150 for one-bedroom, \$2,850 for two-bedroom, and \$3,100 for three-bedroom units.

REGULATED AND NON-REGULATED HOUSING

The objective of a detailed analysis of indirect residential displacement is to identify existing populations that may be at risk of displacement. According to the *CEQR Technical Manual*, at-risk populations are defined as people living in privately held units that are not protected by rent regulations, who, based on income or poverty status, may not be able to afford substantial rent increases. This section describes existing conditions in the study area in terms of the status (rent-regulated or non-regulated) of housing stock in the ¾-mile study area.

Rental rates in New York City are controlled through several mechanisms. These include rent regulation—either rent control or rent stabilization, direct public subsidies to landlords, public ownership, and the Inclusionary Housing Program. In New York City, the rent control program applies to apartments in residential buildings that contain three or more units and were constructed before February 1947. Only apartments in which the tenant has lived continuously since before July 1, 1971 may fall under rent control. When a rent-control apartment becomes

¹ “Bedford-Stuyvesant Steps Up Its Game.” *The Wall Street Journal* website, September 9, 2011. Accessed June 19, 2013.

vacant, it either becomes rent stabilized or, if it is in a building with fewer than six units, it is removed from regulation. Rent stabilization limits the annual rate at which owners may increase rents. In New York City, rent stabilization generally applies to apartments in buildings containing six or more units that were built between February 1, 1947 and January 1, 1974. According to the Rent Act of 2011, as of 2012, an apartment is no longer protected by rent stabilization if it becomes vacant and could be offered at a legal regulated rent of \$2,500 or more, or if the legal rent is \$2,500 and the apartment is occupied by tenants whose total annual household income exceeded \$200,000 for each of the past two years.¹

Other types of housing that are rent-regulated include Section 8 housing, public housing, Mitchell-Lama developments, and other New York City Department of Housing Preservation and Development (HPD)-owned housing. The Inclusionary Housing Program allows zoning bonuses in designated areas in return for the new construction, substantial rehabilitation, or preservation of permanently affordable housing, either onsite within the building where the zoning bonus is utilized, or offsite. The Inclusionary Housing Program is applicable in R10 districts as well as in specifically designated areas that have been rezoned for new residential development.

As described earlier under the subarea profiles, the ¾-mile study area contains several public housing complexes, including Atlantic Terminal Houses, Gowanus Houses, Wyckoff Gardens, the 572 Warren Street development, Ingersoll Houses, and a portion of the Whitman Houses. Mitchell-Lama housing in the study area is concentrated in the Clinton Hill and Fort Greene subareas, in the Pratt Towers, Ryerson Towers, and St. James Towers, and in Downtown Brooklyn, in the Atlantic Terminal I and II developments. As described in Chapter 3B, “Construction Zoning and Public Policy,” the study area also contains two Inclusionary Housing Program Areas that were created as part of the Fort Greene/Clinton Hill Rezoning (2007) and the Crown Heights West Rezoning (2013) (see **Figure 4A-2**). Within the Fort Greene/Clinton Hill rezoning area, which includes portions of the study area north of the project site, the Inclusionary Housing program applies within the R7A districts located along Myrtle Avenue, Fulton Street, and Atlantic Avenue. Within the Crown Heights West rezoning area, which includes portions of the study area east of the project site, the Inclusionary Housing program applies to portions of the proposed R7A and R7D districts. Within both of these rezoning areas, the Inclusionary Housing Program establishes incentives for the creation and preservation of affordable housing in conjunction with new development.

POTENTIALLY VULNERABLE POPULATION

According to the *CEQR Technical Manual*, at-risk populations are defined as renters living in units not protected by rent stabilization, rent control, or other government regulations restricting rents, whose incomes are too low to afford increases in rents. Using the CEQR-based quantitative methodology, the 2006 FEIS estimated that there were 2,929 unregulated rental units in 10 census tracts housing approximately 6,444 persons in the study area that would be potentially at risk of indirect residential displacement. The 2006 FEIS concluded that due to real estate trends leading up to 2006, the areas within the study area identified as containing potentially at risk population had likely become more desirable places to live, and that household

¹ Rent regulations obtained from the New York State Division of Housing and Community Renewal, Office of Rent Administration and the New York City Rent Guidelines Board.

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incomes had likely increased since 2000. Therefore, the 2006 FEIS concluded that many of the households living in unregulated units in the identified tracts would not have been actually at risk of indirect residential displacement.

There have been several changes to rent laws since the 2006 FEIS, reflected in the discussion of rent-control regulations above. Effective June 24, 2011, the Rent Act of 2011 made several changes to various Rent Laws, including raising the deregulation rent threshold from \$2,000 to \$2,500, and raising the deregulation household income threshold from \$175,000 to \$200,000. These changes served to strengthen the Rent Laws, ensuring that some units that would otherwise be deregulated will stay in the rent regulation system for a few more years.

Changes in median household income and real estate trends suggest that many of the unprotected units identified in the 2006 FEIS have since turned over to a more affluent population. Median household income has increased in all of the subareas, and new residential development is likely to rent at the higher end of the market, to residents who would not be considered at risk of indirect displacement. For these reasons, it is expected that the vulnerable population remaining in the study area is smaller than the population identified in the 2006 FEIS. The specific locations of vulnerable population identified in the 2006 FEIS and specific trends that have occurred in these locations since the 2006 FEIS are described in detail in “Probable Impacts of the Extended Build-Out Scenario.”

THE FUTURE WITHOUT PHASE II

This section describes the housing and population conditions that are expected in the Future Without Phase II, presenting development and population changes that are projected to occur in the study area by 2035. In the Future Without Phase II, no new residential or retail development would occur on the Phase II project site, which would remain underdeveloped. Therefore, the analysis of conditions in the Future Without Phase II is based on known planned projects in the study area, as listed in Table 2-1 in Chapter 2, “Analysis Framework,” adjusted to the boundaries of the socioeconomic study area.

As shown in **Table 4A-7**, the ¾-mile study area is expected to gain approximately 9,629 residential units by 2035 in the Future Without Phase II.

Table 4A-7
Population and Housing Growth: Future Without Phase II

	Housing Units				Population			
	Existing Conditions	No Build Additional by 2035	Total, 2035	Percent Change	Existing Conditions	No Build Additional by 2035	Total, 2035	Percent Change
¾-Mile Study Area	65,647	9,629	75,276	14.7%	132,375	20,568	152,943	15.5%
Note:	Population growth was calculated by applying the average household size for the ¾-mile study area from the 2010 Census (2.14 persons) to the number of housing units anticipated to be added by the No Build projects.							

Assuming that these new units would have an average household size of 2.14 persons per household (the average household size for the ¾-mile study area, according to 2010 Census data), these new units would add an estimated 20,568 residents to the study area. This would represent a population increase of 15.5 percent over a period of 25 years. As the population in the study area increased by only 3.2 percent during the previous 20-year period, these planned residential projects indicate a substantial increase in the growth rate. The projected 15.5 percent growth rate in residential population between 2010 and 2035 exceeds the borough-wide

projection of 11.0 percent growth by 2035 as reported by the New York Metropolitan Transportation Council (NYMTC).

As described in Chapter 2, “Analysis Framework,” the Future Without Phase II includes the 1,922 residential units that would be developed under Phase I of the Project. These would include approximately 479 affordable units. Many of the largest of the remaining planned residential projects are located in Downtown Brooklyn, with smaller developments located in the eastern portions of the study area. In particular, and as shown on **Figure 4A-3**, many planned residential developments are located in portions of Prospect Heights, Clinton Hill, and Bedford-Stuyvesant, in areas that were identified in the 2006 FEIS as containing populations vulnerable to displacement. The largest planned residential developments in Downtown Brooklyn include The Hub, a 753-unit mixed-use development that will be located at 333 Schermerhorn Street; City Point, a mixed-use development that will include a total of 1,235 residential units on the block bounded by Willoughby Street, Flatbush Avenue, Fleet Street, Dekalb Avenue, and Gold Street; and Avalon Willoughby West, which will be an 861-unit mixed use development west of City Point at 100 Willoughby Street. In addition, the planned development at 324 Schermerhorn Street will include 700 residential units, and the Brooklyn Academy of Music (BAM) North Site I will be developed with 586 residential units. The Lighthouse site, located in the Gowanus subarea, will contain 700 residential units.

It should be noted that—with the exception of known, planned projects—future market conditions in 2035 are more difficult to predict than the 10-year outlook that was the basis for analysis in the 2006 FEIS. Even in the 2006 FEIS analysis, the 2008 recession was not predicted. Over a period of 20 years, there are likely to be several real estate cycles, and any resulting downturns in the economy would affect local area conditions. However, prevailing market trends in the study area described in the 2006 FEIS that have continued since the 2006 FEIS would generally be expected to continue in the future with or without Phase II. The analysis below uses past trends, planned projects, as well as information from real estate brokers to describe expected changes in the study area.

It is difficult to predict the precise socioeconomic characteristics of the estimated 20,568 residents who would be introduced to the study area in the Future Without Phase II. However, more generally, by 2035 a portion of the rent-regulated housing stock—specifically the rent controlled, rent stabilized, and Mitchell-Lama housing—would be deregulated, either through vacancy at the end of the period of tax abatement, through the renter reaching the high-income limit or the rent reaching the high-rent limit for a rent stabilized unit; or as the result of a buy-out of a Mitchell-Lama building or vacancy of a rent-controlled unit that would not be subject to any other rent regulation program.

At the same time, it is assumed for purposes of analysis that some residential development planned in Inclusionary Housing Program Areas will utilize the Inclusionary Housing bonus and include affordable units. Inclusionary Housing Program Areas in the study area include census tracts identified in the 2006 FEIS as containing population potentially vulnerable to displacement (see **Figure 4A-2**). Specifically, there are Inclusionary Housing Program Areas that include portions of Census Tract 227 along Fulton Street and Atlantic Avenue in the Clinton Hill and Bedford-Stuyvesant subareas; portions of Census Tracts 229 and 233 along Bedford and DeKalb Avenues in the Bedford-Stuyvesant subarea; and portions of Census Tracts 223 and 225 along Franklin Avenue, Bergen Street, St. Marks Avenue, and Prospect Place in the Prospect Heights subarea. It is likely that residential buildings will be developed in these at-risk census tracts that include affordable units. Affordable housing that is constructed, rehabilitated, or

preserved as part of the Inclusionary Housing Program in the Future Without Phase II would be permanently affordable; however, both the Inclusionary Housing Program and other rent regulation programs are subject to legislative changes.

Despite these uncertainties, based on the upward trends in income and real estate values described under Existing Conditions, and the types of residential projects recently completed and currently planned for the study area (primarily market-rate), it is likely that the new population would reflect the socioeconomic profile of residents currently living in the wealthier subareas in the study area. Income and residential property value trends in the study area between 1999 and 2007–2011 reflect continuing and even accelerating trends that were identified in the 2006 FEIS. Median household income in the ¾-mile study area increased by 12.4 percent between 1989 and 1999, and by 15.7 percent between 1999 and 2007–2011. According to census and ACS data, median contract rent in the study area increased by 19.0 percent between 1989 and 1999, and by 27.7 percent between 1999 and 2007–2011. Data collected from real estate sources indicate that trends in property values and rents may be even more dramatic than described by census and ACS data. Many of the subareas in the ¾-mile study area are dominated by brownstone architecture, which is of limited supply. As demand recovered from the 2008 recession, prices for these units have increased. In addition, new development has continued in areas like Downtown Brooklyn and Prospect Heights, where units have been renting and selling on the high end of the market, compared with the rest of Brooklyn. Based on conversations with brokers, the study area is expected to continue to experience an influx of new households that are demographically similar to households currently living in Manhattan. While Brooklyn neighborhoods, including many in the study area, have become a choice for households priced out of Manhattan, according to brokers, Brooklyn has also become more popular as a first-choice destination of its own. Brokers see this trend continuing in Brooklyn and in the study area, in the future, resulting in more renovations of brownstones as single-family residences as well as more new development sized for families, and a shift to more owner-occupied units. As shown in **Table 4A-8**, the household income distribution in the study area would be expected to shift in the Future Without Phase II, with an increase in households earning \$100,000 or more. The analysis presented in **Table 4A-8** assumes that 80 percent of No Build residential units exclusive of the Project's Phase I units (6,166) would be market rate and 20 percent (1,541) would be affordable.¹ With respect to the Project's Phase I units, the analysis assumes that approximately 76 percent (1,443) would be market rate and that approximately 24 percent (479) would be affordable. Because the affordable housing units introduced to the study area in the Future Without Phase II could be built under a variety of affordable housing programs, it is difficult to predict the distribution of these units across income bands. As in the 2006 FEIS, this analysis assumes that the income requirements for affordable units built in the future in the study area would be similar to the income requirements for the Project's affordable units.² Assuming

¹ With the exception of the inclusion of the Phase I units in the calculation, this assumption of 80 percent market rate and 20 percent affordable is the same as used in the 2006 FEIS.

² Under the Extended Build-Out Scenario 7.31 percent of the affordable units would be for households earning between \$15,000 and \$29,999; 7.13 percent would be for households earning between \$30,000 and \$34,999; 52.453.0 percent would be for households earning between \$35,000 and \$59,999; 9.53 percent would be for households earning between \$60,000 and \$74,999; and 23.82 percent would be for households earning between \$75,000 and \$99,999. It should be noted that variation in the assumed distribution of income bands for future affordable housing units would not materially affect the results of the analysis.

20 percent of No Build residential units would be affordable, the households added to the study area in the Future Without Phase II would be expected to decrease the percentage of households in all income bands except for those earning \$100,000 or more. Based on these data, it is reasonable to conclude that incomes will continue to rise in the study area, leading to further rent pressures in the Future Without Phase II.

**Table 4A-8
Comparison of Study Area Households by Income Band:
2011 and 2035 Without Phase II**

Household Income ¹	2011		2035 Without Phase II		
	Households	Percent of Total	New Housing Units ²	Households	Percent of Total
\$0-\$14,999	8,158	13.5%	0	8,158	11.7%
\$15,000-\$29,999	6,761	11.2%	147	6,908	9.9%
\$30,000-\$34,999	2,142	3.5%	147	2,289	3.3%
\$35,000-\$59,999	9,889	16.4%	1,071	10,960	15.7%
\$60,000-\$74,999	5,353	8.9%	187	5,540	7.9%
\$75,000-\$99,999	7,216	12.0%	468	7,684	11.0%
\$100,000 + (market rate)	20,844	34.5%	7,609	28,453	40.7%
Total	60,363	100.0%	9,629	69,992	100.0%
Notes:	1. Dollar values are presented in constant 2011 dollars. Household income bands are based on 2007–2011 ACS data. Income bands were grouped to best match the income bands that would be applied to the Phase II affordable housing units developed under the Extended Build-Out Scenario. 2. Assumes that 80 percent of these units exclusive of the Phase I units (6,166) would be market rate and 20 percent (1,541) would be affordable, and that approximately 76 percent of the Phase I units (1,443) would be market rate and approximately 24 percent (479) would be affordable. Assumes that the income requirements for affordable units built in the future in the study area would be similar to the income requirements for the Project's affordable (see Table 4A-10). The information presented in the Future Without Phase II columns does not account for the potential for future increases in the income levels of residents in existing residential units in the study area.				
Sources:	American Community Survey 2007–2011 Five-Year Estimates; February 2013 Consumer Price Index for New York-Northern New Jersey-Long Island, NY-NJ-CT-PA Area; Forest City Ratner Companies (FCRC); AKRF, Inc.				

As shown in **Figure 4A-3**, many planned residential developments are located in areas that were identified in the 2006 FEIS as containing population potentially vulnerable to displacement—specifically along Bergen Street and St. Mark’s Avenue east of Classon Avenue in the Prospect Heights subarea, and along Bedford Avenue in the Bedford-Stuyvesant subarea. Based on recent listings for new residential developments in the Bedford-Stuyvesant subarea, it is likely that the market rate units in these planned developments will rent on the higher end of the market in that subarea. For example, a three-bedroom rental unit at the Lineage condominium at 315 Greene Avenue was listed for \$3,700 a month, and a two-bedroom unit was listed for \$3,200 a month, both of which are higher than the median monthly rental rates for the area that were described above. A two-bedroom rental unit at the 315 Gates development was listed for \$2,800 a month, and a studio unit was listed for \$1,895, also both higher than the area medians described above.¹ Listings for recent developments in Prospect Heights also indicate that planned developments will rent on the higher end of the market in that subarea. Listings for rental units at the Mark Plus, a 36-unit condominium building built in 2007 at 542 Saint Mark’s Avenue, reflect the median market rate rental rates. A two bedroom unit at the recently-built condominium at 892 Bergen Street recently sold for \$695,000, which is higher than the median for a condominium in

¹ Listings from Streeteasy.com, accessed August 28, 2013.

the area, as described above.¹ These listings indicate that households with higher incomes have been moving into the subarea. As these recent developments described are renting for rates higher than the current median monthly rates, there is sound basis to conclude that future developments in these areas will also rent on the higher end of their respective markets. As described above, there are similar existing trends in the Downtown Brooklyn subareas, and to a lesser extent in Gowanus, in areas containing tracts identified in the 2006 FEIS as containing potentially vulnerable populations.

Even in areas not identified as containing potentially vulnerable populations, but where median household income has remained relatively static since the 2006 FEIS—such as the Gowanus and Clinton Hill subareas—planned developments are likely to add new households with incomes in the higher end of the distribution. While residential developments planned for the Gowanus subarea are relatively small due to zoning constraints in the subarea (7 planned residential developments containing 18 residential units total), the area has experienced increased residential demand due to its location adjacent to the established residential markets in Carroll Gardens and Park Slope, the planned Whole Foods grocery store, and new restaurants. These trends indicate that planned developments in Gowanus will rent or sell on the higher end of the market, leading to increased incomes in the subarea. In the Clinton Hill subarea planned residential projects will add a total of 295 units by 2035. As described above, median home values in the Clinton Hill subarea increased by 146 percent between 2000 and 2007–2011. Listings for recent rental developments such as the Clermont Greene are higher than the median rents described above.² Therefore, it is reasonable to assume that planned developments in Clinton Hill will also rent or sell on the higher end of the market in that subarea, thereby introducing households with higher incomes to the subarea in the Future Without Phase II.

The 2006 FEIS concluded that while some at-risk households would remain in the study area in the future without the Project, indirect residential displacement would continue to occur in the future without the Project, and that the number of at-risk households would therefore decrease. Recent residential trends indicate that this process has continued since the 2006 FEIS, and planned residential projects indicate that it will likely continue in the Future Without Phase II.

PROBABLE IMPACTS OF THE EXTENDED BUILD-OUT SCENARIO

This section describes the development that would be introduced by Phase II under the Extended Build-Out Scenario, and considers whether this development, combined with changed background conditions and the extended timing, could result in significant adverse displacement impacts not disclosed in the 2006 FEIS.

The development of Phase II under the Extended Build-Out Scenario would introduce up to 4,932 residential units to the project site. Assuming an average household size of 2.14 persons per household, these housing units would introduce approximately 10,533 new residents to the study area. In total, the development introduced under the Extended Build-Out Scenario by 2035 would increase the population of the $\frac{3}{4}$ -mile study area by approximately 6.9 percent compared with the Future Without Phase II. **Table 4A-9** shows the housing and population changes that would occur as a result of the development of Phase II under the Extended Build-Out Scenario.

¹ Listings from Streeteasy.com, accessed August 28, 2013.

² Based on listings obtained from Streeteast.com, accesses December 4, 2013.

Table 4A-9

Population and Housing Growth: Future With the Extended Build-Out Scenario

	Housing Units				Population			
	2035 No Build Condition Total	Build Additional	Total, 2035	Percent Change	2035 No Build Condition Total	Build Additional	Total, 2035	Percent Change
3/4-Mile Study Area	75,276	4,932	80,207	6.6%	152,943	10,533	163,476	6.9%
Note:	Population growth was calculated by applying the average household size for the ¾-mile study area (2.14 persons) to the number of housing units anticipated to be added by Phase II under the Extended Build Out Scenario.							

Of the 4,932 housing units that would be introduced by Phase II of the Project, approximately 3,708 would be rental units. Up to 1,800 of the rental units would be affordable rental units. As described in Chapter 1, “Project Description,” as per the Project commitments, not more than 50 percent of the Phase II units are permitted to be built without completion of at least 50 percent of the Phase II affordable units.

The affordable units would be reserved for households earning between 30 percent and 160 percent of the Area Median Income (AMI) for the New York City metropolitan area. The AMI is set annually for metropolitan areas and non-metropolitan counties by the U.S. Department of Housing and Urban Development (HUD), and varies according to family size. It is therefore referred to as the median family income (MFI). As of December 11, 2012, MFI for the New York, NY HUD Metro FMR Area for a family of four was \$85,900.

Rent for all rental units introduced under the Project would be rent stabilized, and rent for the affordable units would be targeted at 30 percent of household income. **Table 4A-10** shows the distribution of the affordable housing units across household income bands, assuming a household size of four persons per household. If the household size were lower, the minimum and maximum incomes for each income band would be lower.¹

The income bands outlined in **Table 4A-10** are based on the Mixed-Income Program administered by the New York City Housing Development Corporation (HDC). Under that program, low income units can be rented to those earning at or below 50 percent of AMI and middle-income units can be rented to those earning at or below 175 percent of AMI.

¹ Income limits were estimated based on the HUD-calculated Very Low-Income (50 percent) Limit.

Table 4A-10
Income Bands for Phase II under the Extended Build-Out Scenario
Affordable Housing Units

Income Band ¹	MFI Income Range	Number of Affordable Units	Minimum Income for a Family of 4 ²	Maximum Income for a Family of 4
Income Band 1	30-40%	185	\$25,770	\$34,360
Income Band 2	41-50%	555	\$35,219	\$42,950
Income Band 3	60-100%	353	\$51,540	\$85,900
Income Band 4	101-140%	353	\$86,759	\$120,260
Income Band 5	141-160%	353	\$121,119	\$137,440

Notes: 1. Income limits were estimated based on the HUD-calculated Very Low-Income (50 percent) Limit.
2. All dollar values are presented in 2013 dollars. Income minimums and maximums are based on the median family income (MFI) which is set annually for metropolitan areas and non-metropolitan counties by HUD. As of December 11, 2012, MFI for the New York, NY HUD Metro FMR Area for a family of four was \$85,900.

Sources: FCRC; HUD FY 2013 Income Limits; AKRF, Inc.

As described above, the 2006 FEIS concluded that the Project would not result in significant adverse impacts due to indirect residential displacement. The conclusion was based on the following factors:

- An expected continuance of trends in rising incomes and rents in the study area;
- Similarities between the socioeconomic profiles of new households introduced into the study area by the Project and the existing households in the study area;
- The increase in the supply of housing units created by the Project serving to relieve, rather than increase market pressure in the study area; and
- The distance and intervening established neighborhoods and commercial corridors between the Project and subareas with potentially at-risk households.

In order to determine whether the completion of Phase II by 2035 under the Extended Build-Out Scenario could result in significant adverse impacts not previously disclosed in the 2006 FEIS, each of these factors is examined below in detail, in the context of the updated background conditions described above and the extended timing. The factors cited in the 2006 FEIS are listed as direct quotes below in italics.

1. “Trends in income and housing values indicate that the number of at-risk households is decreasing and will continue to decrease independent of the proposed project.”

The 2006 FEIS reported that between 1989 and 1999, median household income for the ¾-mile study area increased by 12.4 percent. As described above, between 1999 and 2007–2011, median household income increased by 15.7 percent. As shown in **Table 4A-11** and **Figure 4A-2**, median household income increased in all of the census tracts identified in the 2006 FEIS as containing at-risk households with the exception of Census Tract 29.01 and Census Tract 227. Census Tract 29.01 contains portions of the NYCHA Ingersoll and Whitman Developments, a church, a public school, a public library, the Cumberland Diagnostic and Treatment Center, and retail along Myrtle Avenue. Other than the NYCHA developments, there are no other residential units in Census Tract 29.01; therefore, the residents in this Census Tract would be protected from any upward pressure on rents, and would not be vulnerable to indirect displacement.

Table 4A-11
Median Household Income: 1999, 2007–2011
(in 2013 dollars)

Census tracts identified in 2006 FEIS as having potentially vulnerable population ¹	1999	2007–2011	Percentage Change
29.01	\$16,852	\$9,994	-40.7%
31	\$58,834	\$66,674	13.3%
119, block groups 2 and 3	\$38,544	\$68,224	77.0%
215	\$57,166	\$61,667	7.9%
227	\$46,112	\$40,882	-11.3%
229	\$45,170	\$54,228	20.1%
231	\$51,044	\$61,481	20.5%
233	\$33,439	\$38,655	15.6%
305	\$41,038	\$54,353	32.5%
Notes:	1. Listed as 2010 census tracts. 2010 Census Tract 119 Block Groups 2 and 3 include 2000 Census Tract 125. 2010 Census Tract 305 includes 2000 Census Tracts 223 and 225.		
Sources:	U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census, Summary File 3; American Community Survey 2007–2011 Five-Year Estimates; February 2013 Consumer Price Index for New York-Northern New Jersey-Long Island, NY-NJ-CT-PA Area.		

Median household income also decreased in Census Tract 227 between 1999 and 2007–2011, from \$46,112 to \$40,882 (see **Table 4A-11** and **Figure 4A-2**). As shown in **Table 4A-12**, the distribution of household income in Census Tract 227 remained relatively stable during this time, with decreases in households in the less than \$25,000, and \$50,000 to \$99,999 income brackets. The proportion of households in the top two income categories increased slightly.

Trends in median household income and income distribution are reflected in increases in rent and property values. According to census and ACS data, median contract rent in the study area increased by 19.0 percent between 1989 and 1999, and by 27.7 percent between 1999 and 2007–2011. Data collected from real estate sources indicate that trends in property values and rents may be even more dramatic than described by census and ACS data. Recent residential trends indicate that this process has continued and even accelerated since the 2006 FEIS, and planned residential projects indicate that it will continue in the future.

As shown on **Figure 4A-3** and described above, many recent and planned residential developments are located in portions of the Prospect Heights and Bedford-Stuyvesant subareas that were identified in the 2006 FEIS as containing population potentially vulnerable to displacement. More specifically, there are many recent and planned developments along Bergen Street and St. Mark's Avenue east of Classon Avenue in the Prospect Heights subarea, and along Bedford Avenue in the Bedford-Stuyvesant subarea.

Table 4A-12
Percent Household Income Distribution: 1999, 2007–2011

Area	Less than \$25,000			\$25,000-\$49,999			\$50,000-\$99,999			\$100,000-\$149,999			\$150,000 or More		
	1999	2007–2011	Percentage Point Change	1999	2007–2011	Percentage Point Change	1999	2007–2011	Percentage Point Change	1999	2007–2011	Percentage Point Change	1999	2007–2011	Percentage Point Change
Census tracts identified in 2006 FEIS as having potentially vulnerable population²															
29.01	73.2	25.3	-47.9	21.2	17.9	-3.3	4.9	27.5	22.6	0.7	12.8	12.1	0.0	16.5	16.5
31	30.4	19.0	-11.3	30.9	11.5	-19.4	31.5	46.2	14.8	4.2	12.1	7.9	3.1	11.1	8.1
119, block groups 2 and 3	47.3	19.1	-28.2	26.7	6.5	-20.2	24.6	54.2	29.6	1.5	14.9	13.4	0.0	5.3	5.3
215	25.2	24.8	-0.4	37.0	14.0	-23.0	27.9	31.0	3.2	4.5	18.6	14.1	5.5	11.6	6.1
227	38.0	33.2	-4.8	32.6	34.7	2.1	23.6	17.7	-6.0	4.1	6.1	2.1	1.6	8.2	6.6
229	44.4	26.2	-18.3	29.8	20.4	-9.5	16.3	34.2	18.0	6.3	4.7	-1.6	3.2	14.5	11.3
231	41.0	24.3	-16.6	21.9	19.8	-2.2	29.9	33.2	3.3	4.8	17.7	13.0	2.5	5.0	2.5
233	53.8	36.7	-17.1	25.9	27.0	1.0	14.1	24.1	10.1	3.8	5.8	2.0	2.3	6.4	4.1
305	47.0	27.6	-19.4	32.7	21.4	-11.2	15.1	33.5	18.5	3.7	10.1	6.3	1.5	7.3	5.8
Subareas															
Bedford-Stuyvesant	46.5	32.2	-14.3	28.6	23.7	-5.0	17.5	29.2	11.7	4.9	5.1	0.2	2.5	9.9	7.4
Boerum Hill	28.3	22.7	-5.5	21.2	15.9	-5.2	28.1	19.9	-8.2	12.8	14.5	1.8	9.7	26.9	17.2
Clinton Hill	29.6	22.3	-7.3	29.0	21.8	-7.3	30.0	27.3	-2.7	7.3	15.0	7.6	4.1	13.7	9.6
Downtown Brooklyn	39.7	26.3	-13.4	27.8	13.2	-14.6	23.0	28.7	5.7	5.1	16.0	10.9	4.5	15.8	11.4
Fort Greene	36.3	28.7	-7.6	26.5	17.5	-9.0	23.9	28.6	4.7	9.0	10.8	1.9	4.3	14.4	10.1
Gowanus	42.1	27.4	-14.7	23.7	16.9	-6.7	20.6	29.2	8.6	6.2	14.1	7.9	7.4	12.3	5.0
Park Slope	16.4	11.1	-5.3	23.6	10.2	-13.3	33.8	25.7	-8.1	14.0	18.8	4.8	12.3	34.2	21.9
Prospect Heights	29.0	21.1	-7.9	29.9	16.6	-13.3	29.5	31.6	2.0	6.9	16.2	9.3	4.7	14.6	9.9
¼-mile Study Area Total	29.3	21.5	-7.9	26.5	16.4	-10.0	28.2	27.6	-0.7	9.2	15.0	5.8	6.8	19.6	12.8
Brooklyn	40.7	30.7	-10.0	26.5	23.7	-2.8	23.4	26.7	3.3	6.1	10.9	-6.0	3.3	8.1	4.8
New York City	34.9	27.3	-7.6	25.7	21.6	-4.1	25.7	27.0	1.3	7.8	12.1	-7.6	5.9	11.9	6.0
Notes:															
1. The ACS collects data throughout the period on an on-going, monthly basis and asks for respondents' income over the "past 12 months." The 2007–2011 ACS data therefore reflects incomes over 2007 and 2011, while Census 2000 data reflects income over the prior calendar year (1999). Census 2000 data is presented in 1999 dollars, and 2007–2011 ACS data is presented in 2011 dollars. Between 1999 and 2011, the Consumer Price Index for the New York-Northern New Jersey-Long Island, NY-NJ-CT-PA Area increased by approximately 40 percent. In 1999, the HUD Area Median Family income for Kings County was \$53,400, and in 2011, the HUD AMI was \$64,200.															
2. Listed as 2010 census tracts. 2010 Census Tract 119 Block Groups 2 and 3 include 2000 Census Tract 125. 2010 Census Tract 305 includes 2000 Census Tracts 223 and 225.															

As described above, the Bedford-Stuyvesant subarea experienced an increase in residential demand since the 2006 FEIS, which slowed during the recession but has been recovering.¹ As shown in **Table 4A-6** above, while both median rents and median home values increased in Bedford-Stuyvesant between 2000 and 2007–2011, median home value increased by a more substantial 145 percent, to \$684,361 in 2007–2011. This is likely due to the concentration of historic brownstones in the area. Median contract rent increased from \$731 to \$975 (in 2013 dollars); however according to listings in the Real Estate section of the *New York Times* website, median monthly rents in Bedford-Stuyvesant were \$1,750 for studio, \$2,150 for one-bedroom, \$2,850 for two-bedroom, and \$3,100 for three-bedroom units. As described above under “The Future Without Phase II,” recent listings for new residential developments in the Bedford-Stuyvesant subarea indicate that these developments are renting on the higher end of the market in that subarea. The areas within the Prospect Heights subarea that were identified in the 2006

¹ “Bedford-Stuyvesant Steps Up Its Game.” *The Wall Street Journal* website, September 9, 2011. Accessed June 19, 2013.

FEIS as containing potentially at-risk households have also experienced new residential development since the 2006 FEIS. As described above Prospect Heights has become more popular as a residential neighborhood since the 2006 FEIS, in part due to proliferation of new restaurants and bars along Vanderbilt and Washington Avenues, along with the existing stock of brownstones in the area. As shown in **Table 4A-6** above, median home values increased by 105.0 percent between 2000 and 2007–2011. Median contract rent increased by a more modest 25.0, but was the third highest in the study area. Since the 2006 FEIS, 33 new residential developments have been completed in the Prospect Heights subarea. While many recent and new developments continue to be located along and near Washington Avenue, data indicate that the trend is moving east of Washington Avenue. As described above under “The Future Without Phase II,” listings for these recent developments indicate that households with higher incomes have been moving into the subarea.

As shown in **Table 4A-12**, in general, the proportion of households in the lower income categories has decreased in the potentially vulnerable census tracts, while the proportion of households in the higher income categories has increased. These income distribution data, combined with real estate trends indicate that, with the exception of Census Tract 227, the census tracts identified in the 2006 FEIS have experienced an ongoing trend of displacement of vulnerable population as low- to moderate-income households are being priced out of the market. Therefore, it is reasonable to conclude that the vulnerable populations in these census tracts have decreased.

As these recent developments described above are renting for rates higher than the current median monthly rates, there is sound basis to conclude that future developments in these areas will also rent on the higher end of their respective markets. As described above, there are similar existing trends in the Downtown Brooklyn subareas, and to a lesser extent in Gowanus, in areas containing tracts identified in the 2006 FEIS as containing potentially vulnerable populations. In addition, as described above in “The Future Without Phase II,” planned residential projects in the study area are expected to shift the household income distribution in the study area, resulting in an increase in households earning \$100,000 or more. Assuming that 20 percent of No Build residential units would be affordable (as was assumed in the 2006 FEIS), the households expected to be added to the study area in the Future Without Phase II would be expected to decrease the percentage of households in all income bands except for those earning \$100,000 or more. Owner-occupancy increased between 2000 and 2010 in all of the subareas except Bedford-Stuyvesant and Prospect Heights, while median household income increased in all of the subareas between 1999 and 2007–2011. While some at-risk households would likely remain in the study area even as the neighborhoods in the study area become increasingly affluent, some residential units would be expected to turnover to higher income households paying market rate rents, and some would transition from renter to owner occupancy. Based on past trends in income and housing and planned residential development, it is reasonable to conclude that residential displacement will continue to occur in the Future Without Phase II.

Therefore, it is reasonable to find that the number of at-risk households in the study area will continue to decrease in the future independent of the development of Phase II under the Extended Build-Out Scenario.

2. “Similarities between the proposed project’s housing mix and the housing mix currently present in the ¾-mile study area indicate that the proposed project would not substantially change the socioeconomic profile of the study area.”

As described above, one condition that can lead to indirect residential displacement is a proposed project introducing a substantial new population with different socioeconomic

characteristics relative to the size and characteristics of the existing population. The 2006 FEIS concluded that, although it would be impossible to predict the exact socioeconomic profile or demographic characteristics of the households that would be introduced by the Project, an assessment of the proposed housing mix and the anticipated income for the new households indicates that the introduction of the new population would not lead to substantial shifts in the socioeconomic profile of the study area. Although there is a proposed shift of approximately 200,000 sf of residential development from Phase I to Phase II since the 2006 FEIS, the development of Phase II under the Extended Build-Out Scenario would result in the same overall amount of housing and housing mix as the Project as analyzed in the 2006 FEIS. However, because background conditions have changed, this section reexamines this mix in the context of the study area's current socioeconomic profile.

The development of Phase II under the Extended Build-Out Scenario would introduce approximately 4,932 residential units to the study area. Of these, approximately 3,708 (75.2 percent) would be expected to be rental units. This distribution is similar to that of the ¾-mile study area, where 72.0 percent of all occupied housing units were renter-occupied in 2010. This similarity in housing tenancy was also noted in the 2006 FEIS, which reported that 74.7 percent of housing units in the study area were renter-occupied in 2000.

In addition to introducing a similar proportion of rental units as compared with the existing housing mix, the units introduced under Phase II under the Extended Build-Out Scenario would not substantially affect the range of household incomes present in the study area or the proportion of households in various income bands. **Table 4A-13** compares the projected distribution of households across income bands in 2011, in 2035 Without Phase II, and in 2035 with the Extended Build-Out Scenario. For purposes of this analysis, the dollar values presented in **Table 4A-13** were adjusted to 2011 dollars so that they would be comparable with the 2007–2011 ACS data, and 2007–2011 income bands were grouped to best match the income bands that would be applied to the affordable housing units introduced by the development of Phase II under the Extended Build-Out Scenario (see **Table 4A-10** for these income bands). It should be noted that the data presented in **Table 4A-13** do not directly compare to the income band data presented in the 2006 FEIS, as the data in both the 2006 FEIS and in this SEIS are not adjusted for inflation.

As described under “Future Without Phase II,” the ¾-mile study area is expected to gain approximately 9,629 residential units by 2035 in the future with or without the development of Phase II under the Extended Build-Out Scenario, including the residential units built during Phase I. As described above, the analysis presented in **Table 4A-13** assumes that 80 percent of these units exclusive of the Project's Phase I units (6,166) would be market rate and 20 percent (1,541) would be affordable.¹ The analysis also assumes that 1,443 of the 1,922 Phase I residential units would be market rate and the remaining 479 would be affordable. The analysis assumes that the distribution of affordable units built in the Future Without Phase II would be the same as the distribution of affordable units introduced by the development of Phase II under the Extended Build-Out Scenario.

¹ Based on the Inclusionary Housing Program, which allows floor area bonuses for residential developments for which at least 20 percent of residential floor area is allocated for affordable housing.

Table 4A-13

**Comparison of Study Area Households by Income Band:
2035 Without Phase II and 2035 with the Extended Build Out Scenario**

Household Income ¹	2011		2035 Without Phase II			2035 With the Extended Build Out Scenario		
	Households	Percent of Total	New Housing Units ²	Households	Percent of Total	Proposed Housing Units ³	Households	Percent of Total
\$0-\$14,999	8,158	13.5%	0	8,158	11.7%	0	8,158	10.9%
\$15,000-\$29,999	6,761	11.2%	147	6,908	9.9%	93	7,001	9.3%
\$30,000-\$34,999	2,142	3.5%	147	2,289	3.3%	93	2,382	3.2%
\$35,000-\$59,999	9,889	16.4%	1,071	10,960	15.7%	673	11,632	15.5%
\$60,000-\$74,999	5,353	8.9%	187	5,540	7.9%	118	5,658	7.6%
\$75,000-\$99,999	7,216	12.0%	468	7,684	11.0%	294	7,978	10.6%
\$100,000 + (market rate) ⁵	20,844	34.5%	7,609	28,543	40.7%	3,662	32,114	42.9%
Total	60,363	100.0%	9,629	69,992	100.0%	4,932	74,923	100.0%
Notes:	<p>1. Dollar values are presented in constant 2011 dollars. Household income bands are based on 2007–2011 ACS data. Income bands were grouped to best match the income bands that would be applied to the Phase II affordable housing units developed under the Extended Build-Out Scenario.</p> <p>2. Assumes that 80 percent of these units exclusive of the Project's Phase I units (6,166) would be market rate, and 20 percent (1,541) would be affordable. Assumes that 1,443 of the 1,922 Phase I residential units would be market rate and 479 would be affordable. Assumes that the income requirements for affordable units built in the future in the study area would be similar to the income requirements for the Project's affordable units. The information presented in the Future Without Phase II columns does not account for the potential for future increases in the income levels of residents in existing residential units in the study area.</p> <p>3. Household incomes for the Extended Build-Out Scenario Phase II housing units are based on a family size of four persons per household (see Table 4A-9 for more detail.)</p> <p>4. Under the Extended Build-Out Scenario, the maximum allowable income (in 2011 dollars) for a family of four in the highest affordable income band (141-160 percent of AMI) is \$134,790.</p>							
Sources:	American Community Survey 2007–2011 Five-Year Estimates; February 2013 Consumer Price Index for New York-Northern New Jersey-Long Island, NY-NJ-CT-PA Area; FCRC; AKRF, Inc.							

As illustrated in **Table 4A-13**, the proportion of households in each income band would not be substantially different in 2035 with the development of Phase II under the Extended Build-Out Scenario compared with 2035 without Phase II. Under the Extended Build-Out Scenario, Phase II would result in the development of up to 1,800 affordable units. Compared with the Future Without Phase II, the estimated proportion of households in each of the income brackets below \$100,000 with the Extended Build-Out Scenario would each decrease by less than one percentage point. The estimated share of households earning over \$100,000 would increase by 2.2 percentage points, from 40.7 percent to 42.9 percent of study area households. Such relatively small shifts in the distribution of households across income bands would not be enough to substantially alter the socioeconomic character of the study area. Further, while this analysis assumes that 20 percent of the residential units added in the Future Without Phase II would be affordable (as was assumed in the 2006 FEIS), Phase II under the Extended Build-Out Scenario would provide a higher proportion of affordable units (approximately 36 percent).

The information presented in the Future Without Phase II columns in **Table 4A-13** does not account for the potential for future increases in the income levels of residents in existing residential units in the study area.

The affordable units added by Phase II under the Extended Build-Out Scenario would provide housing for households in the low and middle income AMI categories. While the income bands that correspond to these AMI categories may change in the future, this would be driven by a general increase in family incomes within the metropolitan area, and would not be directly related to any trends specific to the study area. The affordable units added by Phase II could help to ensure housing opportunities for lower-income residents, and would contribute to the diversity of the demographic composition within the study area. Further, in the Future Without Phase II, no affordable units would be added to the Phase II project site, and there would be fewer opportunities for affordable housing in the study area.

Similarities between the housing mix that would be introduced by the development of Phase II under the Extended Build-Out Scenario and the Future Without Phase II indicate that the development of Phase II under the Extended Build-Out Scenario would not substantially change the socioeconomic profile of the study area. As described above, the housing stock introduced by the Extended Build-Out Scenario would be similar in tenure to the housing stock in the broader ¾-mile study area. In addition, for Building 2 (presently under construction), the project sponsors have informed ESD that they intend to submit an affordable housing marketing plan to HPD that would provide for a community preference for residents of Community Districts 2, 3, 6, and 8, and also intend to include a community preference in the affordable housing marketing plan for future buildings¹. Therefore, the analysis presented in the 2006 FEIS remains accurate: similarities between the proposed housing mix and the housing mix currently present in the ¾-mile study area indicate that the Extended Build-Out Scenario would not substantially change the socioeconomic profile of the study area.

3. “By adding new housing units, the proposed project could serve to relieve, rather than increase market pressure in the area.”

As described above, the development of Phase II under the Extended Build-Out Scenario would introduce 4,932 residential units to the study area. The 2006 FEIS concluded that because housing vacancy rates in the study area had been decreasing and property values had been increasing, it was likely that demand for housing in the study area would continue to escalate in the future with or without the Project. It concluded that by providing additional housing in an area where demand is high and increasing, the Project could absorb some of the housing demand that would otherwise cause rents to rise, moderating demand-driven rent hikes and thereby lessening displacement pressures on the at-risk population in the study area.

Residential vacancy rates increased in the study area between 2000 and 2010, from 6.1 percent to 8.8 percent. The rental vacancy rate for the study area was lower than the overall vacancy rate, at 5.7 percent in 2010. Because Census 2010 data reflect the market in the wake of the 2008 recession, this increase in vacancy rates is due in large part to the introduction of new housing in portions of the study area during a time when the housing market was in decline. Given current trends of increasing demand and rental rates, it is likely that the current vacancy rate is lower

¹ The marketing plan for Building 2 would be subject to HPD approval. With respect to the other project buildings containing affordable housing, it is anticipated that marketing plans for those buildings would be subject to the approval of the relevant City or State affordable housing agency. Current HPD and HDC procedures require that the developer submit a marketing plan to the relevant agency and then market the opportunity to participate in the affordable housing lottery for the new building’s affordable housing units in accordance with the agency-approved marketing plan.

than in 2010. As described above, brownstone Brooklyn neighborhoods recovered quickly after the 2008 recession, as supply remained low in these areas. Based on discussions with brokers, this recovery accelerated in 2012 and 2013. In the Downtown Brooklyn subarea, 6,189 units are expected to be built by the 2035 build year. These trends indicate that demand is high, and will continue to increase in the future with development of Phase II under the Extended Build-Out Scenario or in the Future Without Phase II. While the housing market in the ¾-mile study area is less predictable in the wake of the 2008 downturn of the housing market, it is clear that rents can be expected to rise in both the future with development of Phase II under the Extended Build-Out Scenario or in the Future Without Phase II.

The prolonged construction of housing with the development of Phase II under the Extended Build-Out Scenario would not, in the shorter term, provide a supply of housing that could serve to relieve this market pressure. However, the prolonged construction would not negatively affect future housing market conditions in the study area, as the study area is expected to gain 9,629 new residential units by the 2035 build year. Excluding the Project's Phase I units, these 7,707 residential units represent over 1.5 times the 4,871 expected to be built by the 2016 build year for the Project used in the 2006 FEIS. This additional No Build housing supply would reduce any adverse effects of the delay in completion of the project's new housing units, and the residential units added by the development of Phase II under the Extended Build-Out Scenario could still serve to relieve upward rent pressure in the study area.

In addition, as per the Project commitments, not more than 50 percent of the Phase II units are permitted to be built without completion of at least 50 percent of the Phase II affordable units. This requirement would ensure that the affordable units would be phased in incrementally. Under Construction Phasing Plan 1, 50 percent of the Phase II residential units would be achieved when Buildings 14, 13, 12, 11, 15, 8, and 9 are completed by late 2029, and consistent with the Project requirements, these buildings would include at least 50 percent of the Phase II affordable units (900 affordable units). Under Construction Phasing Plan 2, 50 percent of the Phase II residential units would be achieved when Buildings 15, 5, 14, 6, 7 and 8 are completed by early 2029, and these buildings would include at least 900 affordable units. Under Construction Phasing Plan 3, 50 percent of the Phase II units would be achieved when Buildings 14, 13, 12, 11, 15, 8 and 9 are completed by early 2032, and would include at least 900 affordable units.

When compared with the Future Without Phase II, in which no new housing units would be developed on the project site, the development of Phase II under the Extended Build-Out Scenario would provide more relief in total number of residential units as well as through the provision of new affordable housing. Further, as described above, even when assuming that 20 percent of the No Build residential units would be affordable, Phase II under the Extended Build-Out Scenario would provide a higher proportion of affordable housing (36 percent) than the residential units expected to be built in the Future Without Phase II.

For these reasons, similar to the analysis presented in the 2006 FEIS, the housing units added by the Extended Build-Out Scenario could serve to relieve, rather than increase market pressure in the area.

4. "The locations of the Census tracts identified as containing at-risk households, their distance from the project site, and the presence of intervening established neighborhoods and commercial corridors limits the potential for the project to affect rental rates in those tracts."

Between 1999 and 2007–2011, median household income increased in all of the subareas in the study area. In fact, median household income increased by more than 10 percent in six out of the

eight subareas. As described above, as income has trended upward, it is likely that the at-risk population in the study area as a whole has decreased. The remaining at-risk populations in the census tracts of concern are among the farthest away from the project site. Intervening past development identified in the 2006 FEIS, such as Atlantic Center, Atlantic Terminal Houses, and established neighborhoods such as Park Slope, remain in place. With or without Phase II of the Project, by 2035 these existing developments and established neighborhoods would continue to have a stronger influence on local market conditions and rents than the more-distant project. As described above, some of the subareas have become more popular as commercial destinations and residential neighborhoods. For example, retail has evolved in Prospect Heights as new restaurants and bars opened first along Vanderbilt Avenue and then along Washington Avenue. In addition, the residential and retail market in Downtown Brooklyn changed dramatically after the 2004 rezoning, and has evolved toward a more residential neighborhood. These trends indicate that intervening established neighborhood and commercial corridors cited in the 2006 FEIS have become even more established. In addition, since the 2006 FEIS, rezonings in Fort Greene/Clinton Hill (2007) and Crown Heights West (2013) have added Inclusionary Housing Program Areas to portions of the study area that were identified in the 2006 FEIS as containing low- and moderate-income populations potentially at-risk of indirect displacement. Any affordable housing built under the Inclusionary Housing Program in these areas would not be affected by any upward pressure on rents. In the future with the development of Phase II under the Extended Build-Out Scenario, the intervening established neighborhoods and commercial corridors would continue to limit the potential for the proposed residential development at the Phase II project site to affect rental rates in tracts containing potentially vulnerable populations. Therefore, these limiting factors—the locations of the Census tracts identified as containing at-risk households, their distance from the project site, and the presence of intervening established neighborhoods and commercial corridors—would continue to limit the potential for the development of Phase II under the Extended Build-Out Scenario to affect rental rates in those tracts.

CONCLUSION

The development of Phase II under the Extended Build-Out Scenario would not alter the conclusions from the 2006 FEIS. For the following reasons, the development of Phase II under the Extended Build-Out Scenario would not result in any significant adverse impacts due to indirect residential displacement:

- The at-risk population in the study area has been decreasing and is expected to continue to decrease in the Future Without Phase II. As shown on **Figure 4A-3**, many recent and planned residential developments are located in subareas that were identified in the 2006 FEIS as containing population potentially vulnerable to displacement—specifically portions of the Prospect Heights and Bedford-Stuyvesant. As shown in **Table 4A-12**, in general, the proportion of households in the lower income categories has decreased in the potentially vulnerable census tracts, while the proportion of households in the higher income categories has increased. Therefore, it is reasonable to conclude that, in general, potentially vulnerable census tracts have experienced an ongoing trend of displacement of vulnerable population as low- to moderate-income households are being priced out of the market. In the Future Without Phase II, planned residential projects in the study area are expected to shift the household income distribution in the study area, resulting in a higher percentage of households in the highest income band. While some at-risk households would likely remain in the study area even as the neighborhoods in the study area become increasingly affluent,

some residential units would be expected to turn over to more affluent households paying market rate rents, and some would transition from renter to owner occupancy. Therefore, it is reasonable to conclude that residential displacement will continue to occur in the Future Without Phase II.

- As shown in **Table 4A-13**, similarities between the Phase II housing mix and the housing mix currently present in the $\frac{3}{4}$ -mile study area indicate that the development of Phase II under the Extended Build-Out Scenario would not substantially change the socioeconomic profile of the study area. The housing stock introduced by the Extended Build-Out Scenario would continue to be similar in tenure to the housing stock in the broader $\frac{3}{4}$ -mile study area and the anticipated income distribution of households introduced by Phase II of the Project would not shift the distribution of households across income brackets such that the overall socioeconomic character of the study area would change substantially. Phase II under the Extended Build-Out Scenario would provide a higher proportion of affordable units than other planned residential projects in the study area (approximately 36 percent vs. 20 percent).
- The substantial number of housing units to be added in the No Build by 2035 and by Phase II by 2035 could alleviate upward pressure on rental rates. The delay in the completion of housing under the Extended Build-Out Scenario would not, in the near term, provide a supply of housing that could serve to relieve this market pressure. However, a delay assumed under the Extended Build-Out Scenario would not have short- or long-term significant adverse impacts on future housing market conditions in the study area. Residential market trends indicate that neighborhoods in the study area have recovered from the 2008 recession in terms of vacancy and demand—excluding the Project’s Phase I units, the study area is expected to gain over 1.5 times as many units as were expected to be added to the study area by the 2016 build year assumed in the 2006 FEIS. This additional No Build housing supply would reduce any adverse supply effects of the delay in completion of the project’s new housing units, and the residential units added by the development of Phase II under the Extended Build-Out Scenario could still serve to relieve upward rent pressure in the study area. As per the Project commitments, not more than 50 percent of the Phase II units are permitted to be built without completion of at least 50 percent of the Phase II affordable units, ensuring that the Phase II affordable units would be phased in incrementally. When compared with the Future Without Phase II, in which no new housing units would be developed on the project site in the Phase II area of the site, the development of Phase II under the Extended Build-Out Scenario would provide more relief in total number of residential units as well as through the provision of new affordable housing.
- Most at-risk households identified are more than $\frac{1}{2}$ mile from the project site, and separated from the project site by intervening established residential communities such as Park Slope, with upward trends in property values and incomes and active commercial corridors. Inclusionary Housing Program Areas that have been added to at-risk portions of the study area since the 2006 FEIS would provide or preserve some housing in these areas that would be protected from upward pressure on rents.

G. INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

According to the *CEQR Technical Manual*, indirect business and institutional displacement can occur if a proposed project markedly increases property values and rents throughout a study area such that it becomes difficult for some institutions or categories of businesses to remain in the area. Indirect displacement of businesses also can occur if a project directly displaces any type

of use that either directly supports businesses in the area or brings a customer base to the area for local businesses, or if it directly or indirectly displaces residents or workers who form the customer base of existing businesses in the area.

The objective of this assessment is to determine whether the completion of Phase II by 2035 under the Extended Build-Out Scenario could result in new or different indirect displacement pressures on area businesses and institutions as compared with the displacement pressures predicted in the 2006 FEIS with the completion of Phase II by 2016.

Under the Extended Build-Out Scenario, the Project's overall commercial program (including Phase I and Phase II) would be the same as analyzed in the 2006 FEIS. However, for purposes of analysis this SEIS assumes that Phase II of the Project may have more residential units in the Extended Build-Out Scenario (up to 4,932 as compared with 4,323 in Phase II of the Project in the 2006 FEIS). In addition, socioeconomic conditions have changed since the 2006 FEIS, including the numbers and types of commercial businesses. Accordingly, this SEIS analysis updates employment and retail data utilized in the 2006 FEIS analysis of indirect business displacement in order to reexamine the analysis that formed the basis of the 2006 FEIS conclusions. This analysis also projects future socioeconomic conditions and trends out to 2035, rather than 2016, and examines the potential effects of the Extended Build-Out Scenario on those trends.

EXISTING CONDITIONS

This section presents an employment profile for the study area and Brooklyn, characterizes market conditions throughout the study area, and presents a profile of retail concentrations in the study area. Employment data are not available from the Department of Labor for geographic areas smaller than zip codes. Although zip code boundaries do not conform exactly to the project's $\frac{3}{4}$ -mile study area, zip codes 11217 and 11238 (shown in **Figure 4A-4**) capture a large portion of the study area's geography and are therefore used to approximate the study area for the discussion of employment trends. However, this two-zip-code study area does not capture all of the employment located in the $\frac{3}{4}$ -mile study area. Most notably, it does not include the concentrations of retail and office employment that are located in the Downtown Brooklyn subarea.

EMPLOYMENT TRENDS

This section examines employment trends in Brooklyn, in order to set the context for trends in the $\frac{3}{4}$ -mile study area. The 2006 FEIS presented employment trends for Brooklyn between 1960 and 2002. In 2002, the US Census Bureau replaced its historic industry classification system—the Standard Industrial Classification (SIC) system—with the North American Industry Classification System (NAICS). Therefore, it is difficult to compare employment and business data across industries from before and after 2002. However, as shown in **Table 4A-14**, total employment in Brooklyn has increased between 2003 and 2011 by 16.7 percent, continuing the most recent trend presented in the 2006 FEIS, which showed an increase of 8.6 percent between 1990 and 2002.

Between 2003 and 2011, the manufacturing sector experienced the largest decline in both absolute and relative terms, losing 12,840 employees, or almost 40 percent of its employment base. This reflects trends in New York City as a whole, where the proportion of total employment in the manufacturing industry declined by 41 percent during the same time. In

Table 4A-14
Brooklyn Private Sector Employment: 2003-2011

Industrial Sector (NAICS) ¹	2003	2004	2005	2006	2007	2008	2009	2010	2011	Percent Change 2003-2011
Agriculture, Forestry, Fishing, Hunting	55	65	65	65	43	46	55	80	81	47.3%
Mining	28	27	22	18	17	17	15	14	ND ²	N/A
Utilities	4,266	4,058	4,182	4,270	4,272	4,346	4,611	4,687	4,491	5.3%
Construction	21,681	22,606	23,166	24,001	25,819	26,637	23,775	22,938	22,913	5.7%
Manufacturing	32,298	30,602	28,774	26,813	24,914	23,445	20,650	19,628	19,458	-39.8%
Wholesale Trade	21,055	21,820	22,223	22,544	24,263	24,630	23,765	23,774	24,020	14.1%
Retail Trade	52,958	54,179	55,150	56,395	57,723	58,235	56,777	59,391	61,732	16.6%
Transportation and Warehousing	14,057	16,308	16,856	17,384	17,997	18,405	18,575	18,353	17,943	27.6%
Information	7,355	7,222	6,837	6,624	6,681	6,730	6,733	6,696	6,756	-8.1%
Finance & Insurance	14,522	17,289	17,383	17,811	17,345	17,688	15,490	14,634	14,573	0.4%
Real Estate & Rental & Leasing	13,824	13,739	13,652	13,709	14,414	14,299	14,040	14,368	14,743	6.6%
Professional, scientific & technical services	11,409	11,284	11,757	12,250	12,937	13,678	13,708	14,920	16,258	42.5%
Management of companies & enterprises	1,272	1,290	1,347	1,415	1,499	2,332	1,806	2,781	2,776	118.2%
Admin, support, waste mgt, remediation services	16,925	16,824	16,606	17,719	18,198	17,327	18,983	20,565	21,023	24.2%
Educational Services	18,292	19,004	19,854	20,172	20,837	21,646	22,442	23,328	24,334	33.0%
Health care and social assistance	127,797	129,919	134,013	134,498	137,278	140,823	145,536	152,426	159,212	24.6%
Arts, entertainment & recreation	3,251	3,394	3,794	4,038	4,213	4,494	4,436	4,493	5,031	54.8%
Accommodation & food services	18,348	18,646	19,688	20,296	21,429	22,724	23,997	26,247	28,849	57.2%
Other services (except public administration)	19,936	19,929	19,889	20,388	21,742	22,131	22,165	22,698	23,665	18.7%
Unclassified establishments	5,149	4,617	4,549	5,540	3,796	2,606	3,312	3,682	4,335	-15.8%
Summed total²	404,478	412,822	419,807	425,950	435,417	442,239	440,871	455,703	472,193	16.7%
Actual total	404,478	412,820	419,807	425,949	435,414	442,240	440,868	455,702	472,203	16.7%
Notes:	1. In 2002, the US Census Bureau replaced its historic industry classification system—the Standard Industrial Classification (SIC) system—with the North American Industry Classification System (NAICS). Therefore it is difficult to compare employment and business data from before and after 2002. 2. ND = Not Disclosable. Data do not meet BLS or State agency disclosure standards. 3. Due to New York State Department of Labor (NYSDOL) data suppression practices, total employment is larger than the sum of employment for each major industry sector.									
Sources:	NYSDOL Quarterly Census of Employment and Wages.									

Brooklyn, the services industry experienced the highest growth in both absolute and relative employment during this time, gaining 63,099 employees (28.2 percent). In 2012, the services industry represented just over 60 percent of the employment in Brooklyn, and accounted for 93 percent of the employment added in Brooklyn between 2003 and 2011.

As shown in **Table 4A-15**, for many sectors, employment trends in the study area between 2003 and 2012 have been similar to employment patterns in Brooklyn between 2003 and 2011 (the last year for which annual data were available). In the study area and in Brooklyn as a whole, the manufacturing and information sectors decreased in terms of total employment during these time

Table 4A-15
Study Area Private Sector Firms and Employment: 2003-2012

Industrial Sector (NAICS) ¹²	2003		2005		2010		2012		Percent Change 2003-2012	
	Firms	Emp.	Firms	Emp.	Firms	Emp.	Firms	Emp.	Firms	Emp.
Utilities	1	D	1	D	1	D	1	D	N/A	N/A
Construction	72	405	79	513	88	810	89	714	23.8%	76.6%
Manufacturing	62	570	59	574	57	474	52	563	-15.8%	-1.3%
Wholesale Trade	65	485	69	521	59	493	57	444	-13.0%	-8.6%
Retail Trade	208	1,422	239	2,481	297	3,076	336	3,648	61.7%	156.6%
Transportation and Warehousing	22	232	18	259	23	243	19	315	-12.6%	35.7%
Information	36	1,807	42	1,600	57	1,592	70	1,625	93.8%	-10.0%
Finance & Insurance	26	194	32	1,558	36	1,380	34	1,279	28.8%	561.1%
Real Estate & Rental & Leasing	149	518	149	735	155	529	168	817	12.2%	57.8%
Professional, scientific & technical services	100	227	118	313	173	556	197	714	98.2%	214.3%
Management of companies & enterprises	2	D	8	85	7	131	8	146	287.5%	N/A
Admin, support, waste mgt, remediation services	31	348	34	385	50	418	52	424	69.9%	21.6%
Educational Services	24	485	46	1,198	44	713	53	860	124.5%	77.3%
Health care and social assistance	172	4,687	170	3,660	211	3,523	215	3,340	25.0%	-28.7%
Arts, entertainment & recreation	37	867	48	848	69	1,271	81	1,382	116.8%	59.4%
Accommodation & food services	101	548	157	833	231	1,653	280	2,365	177.0%	331.4%
Other services (except public administration)	248	1,041	261	953	416	1,092	458	1,278	84.3%	22.8%
Unclassified establishments	97	167	137	140	140	140	213	168	119.8%	0.3%
Summed total	1,452	14,001	1,665	16,654	2,112	18,091	2,380	20,080	64.0%	43.4%
Actual total	1,453	16,100	1,666	18,738	2,116	20,695	2,381	22,643	63.9%	40.6%
Notes:	1. Due to New York State Department of Labor (NYSDOL) data suppression practices, total employment is larger than the sum of employment for each major industry sector. The letter D indicates those sectors for which data have been suppressed. 2. In 2002, the US Census Bureau replaced its historic industry classification system—the Standard Industrial Classification (SIC) system—with the North American Industry Classification System (NAICS). Therefore it is difficult to compare employment and business data from before and after 2002.									
Sources:	NYSDOL, 2012 annual averages for zip codes 11217 and 11238.									

periods, and sectors like accommodation and food services, arts entertainment and recreation, and professional, scientific and technical services increased in terms of employment. However, in some sectors, the magnitude of these changes has been different between the study area and the borough. For example, employment in the retail sector increased in both the study area and the borough, but the study area saw an increase of 156.6 percent, while retail employment increased by a more modest 16.6 percent in Brooklyn as a whole. Both the study area and Brooklyn as a whole experienced a decrease in manufacturing during this time, but manufacturing lost 39.8 percent of its employment in Brooklyn and only 1.3 percent of employment in the study area. Employment in the finance and insurance sector increased in both the study area and in Brooklyn as a whole, but it increased by only 0.4 percent in Brooklyn while it increased by 561.1 percent in the study area. This is likely due to large tenants at MetroTech Center such as Empire Blue Cross and Blue Shield, which moved to 9 MetroTech Center in 2003 and American International Group, which moved to 12 MetroTech in 2008.

In addition, in some sectors, trends in the study area differed from Brooklyn as a whole. For example, employment in the wholesale trade sector increased in Brooklyn by 14.1 percent but decreased in the study area by 8.6 percent. In the healthcare and social assistance sector, employment increased in Brooklyn by 24.6 percent, but decreased by 28.7 percent in the study area.

The study area defined by zip codes 11217 and 11238 does not capture all of the employment located in the $\frac{3}{4}$ -mile study area. Most importantly, it does not capture the concentrations of retail and office employment that are located in the Downtown Brooklyn subarea. According to ESRI data, there were a total of 48,588 private-sector employees in the $\frac{3}{4}$ -mile study area—more than double the number of employees included in the two zip code study area. Approximately 20.4 percent of those employees worked in the health care and social assistance sector, 17.8 percent working in educational services, 13.1 percent working accommodation and food services, and 12.8 percent were employed in retail.

OVERVIEW OF STUDY AREA COMMERCIAL AND INDUSTRIAL SPACE

According to 2012 RPAD data, the $\frac{3}{4}$ -mile study area contains over 37 million square feet of commercial and industrial space. As described in the 2006 FEIS, in general, office, industrial, and chain retail uses are clustered in several subareas, while ground-floor, local-serving retail space is located along specific corridors in each subarea.

Commercial office space, totaling 11.1 million square feet, is concentrated in the Downtown Brooklyn subarea. Both private and public sector tenants are common in the Downtown Brooklyn subarea, including corporations such as JP Morgan Chase, National Grid, and Empire Blue Cross Blue Shield, and the Bank of New York, which occupies the Atlantic Terminal tower; media and advertising companies like El Diario La Prensa and UniWorld Group; academic institutions like Polytechnic Institute of NYU; and public agencies such as the New York City Fire Department.

There is a total of approximately 6.6 million square feet of retail space in the study area. Retail is clustered throughout the study area, with the two largest clusters in Downtown Brooklyn and Fort Greene, on and around Atlantic Avenue. Within Downtown Brooklyn, retail is concentrated in the Fulton Street Mall, the portion of Fulton Street between Boerum Place and Flatbush Avenue. The Fulton Street Mall contains over 150 retail businesses, including national and independent retailers. Since the 2006 FEIS, the type of retail on the Fulton Street Mall has changed, as more national chains have moved in, including H&M, Aeropostale, and Armani Exchange. In Fort Greene, retail is concentrated in the Atlantic Center and Atlantic Terminal shopping centers, and adjacent retail. This retail center has largely remained the same since the 2006 FEIS, when it was described as the only grouping of national retail chains in the study area. The largest tenants still include Model's, P.C. Richard & Son, DSW, and Target. The remaining commercial space in the study area is largely contained in ground-floor retail along key corridors in each subarea. Retail corridors are detailed in the following section, "Study Area Retail Profile."

There is a total of approximately 2.3 million square feet of factory, warehouse, or loft space in the study area. The two larger concentrations of industrial use that were described in the 2006 FEIS remain in the study area today, in the Gowanus subarea and the northeast corner of the Project Heights subarea. In the Gowanus subarea, industrial space is used for light industrial and auto-related uses, and low-scale industrial buildings are interspersed with large, open lots for storage or truck parking. The industrial cluster in Prospect Heights is located in the northeastern

portion of the subarea, and includes similar low-scale buildings, with less space dedicated to parking and vehicle storage than in Gowanus. Based on a comparison of land use maps, both of these industrial clusters have changed slightly since the 2006 FEIS, with increased vacancy and some residential redevelopment in Prospect Heights, and the same trends, to a lesser degree, in Gowanus. The third, smaller industrial cluster described in the 2006 FEIS—in the northeast corner of the Clinton Hill subarea and the northwest portion of the Bedford-Stuyvesant subarea—has become less concentrated, as residential use has replaced some former industrial space.

STUDY AREA RETAIL PROFILE

The ¾-mile study area includes a number of major commercial corridors, including 4th Avenue, 5th Avenue, 7th Avenue, Atlantic Avenue, Flatbush Avenue, Franklin Avenue, the Fulton Mall, Fulton Street, Myrtle Avenue, Smith Street, Vanderbilt Avenue, and Washington Avenue, as well as several retail concentrations, including Atlantic Center and Atlantic Terminal.¹ In May through July of 2013, AKRF, Inc. performed detailed retail surveys of all storefronts located on the retail corridors and in the areas of retail concentration shown in **Figure 4A-5**. The results of this retail survey are presented below.

In total, retail concentrations in the ¾-mile study area contain approximately 1,981 storefronts. These include a mix of shoppers' goods, building materials, hardware, and garden supply, auto-related trade, convenience goods, eating and drinking establishments, neighborhood services, as well as vacant storefronts. The total number of storefronts represents a decrease from that reported in the 2006 FEIS (2,084). This is likely due to national retailers moving into the Fulton Mall and Myrtle Avenue corridors, which occupy large footprints and have replaced multiple, smaller storefronts, as well as redevelopment of some older buildings containing ground floor retail with residential uses in new buildings. As shown in **Table 4A-16**, 27.7 percent of storefronts in the surveyed retail concentrations provide neighborhood services, including hair and nail care, shoe repair, travel services, and cleaning/tailoring. This is an increase in both absolute and relative terms since the 2006 FEIS, when approximately 24 percent (520 stores) provided neighborhood services. Eating and drinking establishments and shoppers' goods make up the next highest proportions of storefronts, accounting for 21.3 and 20.5 percent, respectively. The proportion of eating and drinking establishments increased since the 2006 FEIS, while the proportion of shoppers' goods stores decreased.

Approximately 15.5 percent (307 storefronts) of all ground-floor commercial spaces in study area retail concentrations are vacant. These vacant spaces include those boarded up or available for rent or sale. This is a decrease since the 2006 FEIS, which reported an almost 19 percent vacancy rate for businesses in study area retail concentrations. Three of the retail concentrations have vacancy rates below 10 percent, as compared with only one reported in the 2006 FEIS.

¹ The 2006 FEIS also analyzed the Gallery at Fulton Mall, which was purchased in 2007 for redevelopment. The former site of the Mall is now occupied by the first phase of the City Point Development and the construction for subsequent phases.

**Table 4A-16
Summary of Retail Storefronts in ¼-Mile Study Area**

Retail Concentration	Shoppers' Goods ¹		Building Materials, Hardware, Garden Supply		Auto-Related Trade		Convenience Goods ²		Eating & Drinking Places		Neighborhood Services		Vacant Storefronts ³		Total Storefronts	
	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
4th Ave.	6	6.9%	0	0.0%	3	3.4%	9	10.3%	15	17.2%	35	40.2%	19	21.8%	87	100%
5th Ave.	46	19.9%	2	0.9%	0	0.0%	19	8.2%	73	31.6%	67	29.0%	24	10.4%	231	100%
7th Ave.	34	25.4%	1	0.7%	0	0.0%	21	15.7%	31	23.1%	42	31.3%	5	3.7%	134	100%
Atlantic Ave.	62	33.5%	3	1.6%	15	8.1%	25	13.5%	5	2.7%	29	15.7%	46	24.9%	185	100%
Atlantic Center & Atlantic Terminal	23	60.5%	0	0.0%	0	0.0%	2	5.3%	8	21.1%	4	10.5%	1	2.6%	38	0%
Flatbush Avenue	16	11.7%	4	2.9%	0	0.0%	13	9.5%	30	21.9%	41	29.9%	33	24.1%	137	100%
Franklin Ave.	7	11.5%	1	1.6%	0	0.0%	9	14.8%	15	24.6%	10	16.4%	19	31.1%	61	0%
Fulton Mall Area	139	35.8%	0	0.0%	1	0.3%	41	10.6%	45	11.6%	110	28.4%	52	13.4%	388	100%
Fulton St.	27	9.8%	2	0.7%	1	0.4%	42	15.2%	68	24.6%	87	31.5%	49	17.8%	276	100%
Myrtle Ave.	8	10.1%	0	0.0%	1	1.3%	26	32.9%	18	22.8%	22	27.8%	4	5.1%	79	100%
Smith Street	27	20.1%	2	1.5%	0	0.0%	15	11.2%	47	35.1%	29	21.6%	14	10.4%	134	100%
Vanderbilt Ave.	6	7.5%	0	0.0%	0	0.0%	12	15.0%	32	40.0%	21	26.3%	9	11.3%	80	100%
Washington Ave.	5	3.3%	2	1.3%	6	4.0%	21	13.9%	34	22.5%	51	33.8%	32	21.2%	151	100%
Study Area Total	406	20.5%	17	0.9%	27	1.4%	255	12.9%	421	21.3%	548	27.7%	307	15.5%	1,981	100%
Notes: <ol style="list-style-type: none"> 1. Shoppers' goods stores offer items such as furniture, clothing, electronics, and sports equipment—goods that people tend to make deliberate, planned trips to purchase. 2. Convenience goods stores are those offering items such as groceries, personal care items, housekeeping products, prescription drugs, newspapers and magazines—goods that people tend to buy at the location most convenient to them. Stores classified as convenience stores can also include businesses that provide services rather than goods, such as laundromats, barber shops, and beauty salons. 3. Vacant Storefront category includes both stores that are on the market (with for sale or lease signs posted) and stores that appear to be abandoned (with no visible sign that the property is actively being marketed for sale or lease). 																
Sources: Sources: AKRF, Inc. retail surveys conducted in May through July 2013.																

4th Avenue

The 4th Avenue corridor extends from Atlantic Avenue in the north to Union Street in the south. It runs along the boundary between the Park Slope subarea to the east and the Boerum Hill and Gowanus subareas to the west. As described in the 2006 FEIS, ground floor retail uses along 4th Avenue are less dense than along other retail corridors in the study area, with the highest concentration in the northern portion of the corridor, between Dean and Warren Streets. The 4th Avenue corridor contains 87 total storefronts, with neighborhood services representing the largest proportion (40.2 percent, or 35 storefronts). This is an increase since the 2006 FEIS, when neighborhood services represented 25.7 percent of storefronts. Vacancies and auto-related uses have also decreased since the 2006 FEIS. There are three auto-related uses in the corridor, compared with 6 as reported in the 2006 FEIS, and 19 vacant storefronts, as compared with 25 in the 2006 FEIS. Along the southern portion of the corridor, between Warren Street and Union Street, ground-floor retail is less dense, and interspersed with residential uses, educational uses, and small offices. There has also been an increase in eating and drinking establishments since the 2006 FEIS, which account for 17.2 percent of storefronts, as compared with 8.1 percent.

5th Avenue

The 5th Avenue retail corridor runs through the western portion of the Park Slope subarea between Flatbush Avenue in the north and 3rd Street in the south. This retail corridor is dense, with 231 storefronts along the 16 block strip, supporting the surrounding residential

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neighborhood. The majority of storefronts are split between eating and drinking establishments (31.6 percent, or 73 storefronts), and neighborhood services (29.0 percent, or 67 storefronts). Both of these retail types have increased since the 2006 FEIS, with eating and drinking establishments increasing the most, from 56 businesses in the 2006 FEIS. Most of the stores along this corridor are independent businesses. There is a large Key Food supermarket located between Douglass and Baltic Streets, and an Associated supermarket between Union and President Streets. Vacancy has decreased since the 2006 FEIS, from 13.5 percent to 10.4 percent.

7th Avenue

The 7th Avenue corridor runs from Flatbush Avenue to 3rd Street and serves the eastern portion of Park Slope. Neighborhood services represent the largest percentage of shops, with 31.3 percent of the commercial space (42 storefronts). Many of the neighborhood services establishments along this corridor are professional offices, including offices for realtors, travel agents, insurance providers, and financial advisors. Other neighborhood services include hair and nail salons, banks, and dry cleaners and laundromats. Shoppers' goods represent the next largest percentage of businesses along the 7th Avenue corridor, accounting for 25.4 percent of retail storefronts. Of the 34 shoppers' goods stores, the largest percentage (accounting for 17 storefronts) are clothing stores and boutiques (including shoe stores and jewelry stores) and the remainder include hobby, toy and game stores, home furnishings, and eyeglass stores. There are 31 eating and drinking establishments, 21 of which are full-service restaurants. This area has the second-lowest vacancy rate of all retail concentrations surveyed, with only five vacant storefronts, representing less than four percent of storefronts along this corridor. Of the retail concentrations surveyed, only Atlantic Center and Atlantic Terminal have a vacancy rate that is lower than the vacancy rate for 7th Avenue. Compared with the survey presented in the 2006 FEIS, there are fewer vacancies and more eating and drinking establishments along this corridor.

Atlantic Avenue

The Atlantic Avenue corridor within the $\frac{3}{4}$ -mile study area is approximately 1.8 miles long, and ground-floor commercial uses differ significantly from west to east along the corridor. The western portion of the corridor, between Boerum Place and Flatbush Avenue in the Boerum Hill subarea, is lined with a variety of commercial uses, including specialty food stores, antique shops, health and personal care stores, limited service eating places, and medical and dental offices. These blocks also contain approximately seven stores catering principally to the Muslim population—stores such as Treasure Islam and Islamic Books, selling a variety of items such as books, clothing, oils, and incense.

The eastern portion of Atlantic Avenue (from Vanderbilt Avenue on the west to Classon Avenue on the east) is dominated by auto-related businesses such as body shops, tire stores, and shops offering services such as auto insurance and auto detailing. In addition, there are approximately ten restaurant supply stores to the east of St. James Place. Vacant storefronts and empty lots are more concentrated along this portion of Atlantic Avenue.

Compared with the survey presented in the 2006 FEIS, there are more shoppers' goods, and about half the number of auto-related businesses and convenience goods stores. There are 12 stores catering principally to the Muslim population, including a halal grocery store and restaurant, Islamic book and clothing stores, and professional services. The 2006 FEIS identified eight stores catering to this population. Vacancy has increased along the Atlantic Avenue corridor, from 18.3 percent in the 2006 FEIS to 24.9 percent. Based on conversations with

brokers, retail demand is high near the project site and any vacancy is likely due to the process of renovating spaces that are experiencing turnover. Vacancy along the eastern portion of Atlantic Avenue, farther from the Arena, has always been high due to the lack of foot traffic, which has not been affected by construction on the project site.

Atlantic Center and Atlantic Terminal

Located at the intersection of Atlantic Avenue and DeKalb Avenue, Atlantic Center and Atlantic Terminal are adjacent to Brooklyn's largest transportation hub. Approximately 60.5 percent of the stores located within these two shopping centers are shoppers' goods stores, including ten apparel and accessory establishments and four discount department stores. There are eight eating and drinking establishments, including two full-service restaurants. In comparison to 2006 when there were and 11 vacant storefronts, there is currently only one vacant storefront in the Atlantic Center and Atlantic Terminal. Most of the shops located within these two shopping centers are regional or national chains, including Old Navy, Target, Men's Warehouse, Motherhood Maternity, Payless ShoeSource, Victoria's Secret, Best Buy, Guitar Center, Mande's, Starbucks, McDonald's, Applebee's, and Pathmark.

Flatbush Avenue

Flatbush Avenue is a wide and busy commercial corridor that serves as a main thoroughfare for buses, trucks, cars and pedestrians. The section located within the ¾-mile study area runs from Atlantic Avenue to Plaza Street, which encircles Grand Army Plaza, and acts as the boundary between Park Slope and Prospect Heights. The corridor is dominated by neighborhood services, which account for 29.9 percent of retail storefronts along this corridor (41 stores), and include nail and hair salons, medical offices, banks, and other professional offices with storefronts that cater to the large residential areas that border it. Compared with the survey that was conducted for the 2006 FEIS, eating and drinking places have increased along this corridor, accounting for 21.9 percent of all storefronts, compared with 18.8 percent. Vacancy has also increased since 2006, from approximately 17.5 percent (26 storefronts), to 24.1 percent, or 33 storefronts, which are found along the corridor and closest to Atlantic Avenue. Based on discussions with brokers, demand for retail space is high and commercial rents are increasing along Flatbush Avenue, and therefore vacancy has been temporary and related to the renovation of storefronts.

Franklin Avenue

The Franklin Avenue corridor runs from Atlantic Avenue in the north to Sterling Place in the south. While vacant storefronts account for the largest percentage of storefronts along this corridor (31.1 percent, or 19 storefronts), this represents a decrease from the retail survey reported in the 2006 FEIS (41.5 percent, or 22 storefronts). Approximately 24.6 percent of storefronts in the Franklin Avenue corridor are eating and drinking establishments—an increase over 2006, when eating and drinking establishments accounted for 15.1 percent of storefronts. Neighborhood services, such as two day care establishments, a hair salon, a laundromat and a dry cleaner, and medical and professional offices, make up approximately 16.4 percent of the establishments. Of the nine convenience goods stores in the Franklin Avenue corridor, five are delis or bodegas. The area is largely residential with numerous storefront churches.

Fulton Mall Area

The Fulton Mall area is a large retail concentration in the study area, and one of most vibrant commercial areas in Brooklyn. Most retail activity is concentrated on Fulton Street and the greater retail area extends to Willoughby Street to the north, Livingston Street and Schermerhorn

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Street to the south, Flatbush Avenue to the east and Boerum Place/Adams Street to the west. Adams Street and Flatbush Avenues are busy thoroughfares that carry traffic to Manhattan via the Brooklyn and Manhattan Bridges, respectively.

The Fulton Mall area contains a total of 388 storefronts. It is oriented toward destination shopping, with the largest proportion of storefronts (139, or about 35.8 percent) occupied by shoppers' goods stores. Among those, 81 are apparel and accessory stores (primarily women's clothing and shoes), 17 are miscellaneous store retailers, 16 are electronics stores, and 12 are general merchandise stores, including Macy's Department Store. This represents a decrease in the number and proportion of shoppers' goods stores in the area since the 2006 FEIS. At the same time, the number of convenience goods stores and neighborhood services has increased, reflecting the growing residential population in Downtown Brooklyn. Neighborhood services account for about 28 percent of total storefronts (110 stores), including many hair and nail care establishments, medical offices, other neighborhood services and other professional offices. There are 41 convenience goods stores, including bodegas, beauty supply stores, and newsstands. The number of eating and drinking places has remained relatively constant since the 2006 FEIS, and these businesses account for approximately 11.6 percent of total storefronts in the area, with the majority being refreshment and fast food places. Vacancy has also remained relatively constant; fifty-two vacant storefronts were observed during the survey, representing the same proportion reported in the 2006 FEIS (13 percent of storefronts). Stores are densely packed in this area, and there are many large stores, particularly discount stores. Most of the retail stores are local chains, including Conway, Pretty Girl, and Jimmy Jazz. As described above, national chains have become more common since the 2006 FEIS, and include Modell's, Express, Raymour and Flanigan, Jennifer Living Room, Aeropostale, Payless Shoe Source, Wendy's, Subway, and Dunkin Donuts.

Fulton Street

The Fulton Street corridor runs from Flatbush Avenue in the west to Bedford Avenue in the east, spanning the Fort Greene, Downtown Brooklyn, and Clinton Hill subareas. The corridor contains a total of 276 storefronts, the largest proportion of which is neighborhood services (31.5 percent, or 87 businesses). Ground-floor commercial uses are concentrated in two sections along this corridor: between Flatbush Avenue and Greene Avenue in the west, and between Vanderbilt and Bedford Avenue in the east. The four blocks between these sections contain a combination of open space and residential buildings. Retail and neighborhood services in the western portion of the corridor comprise a mix of bars and restaurants, neighborhood services, and assorted shoppers' goods stores. There are also several real estate offices located in the two blocks between Fort Greene Place and South Portland Avenue. Retail becomes less dense in the eastern section of the corridor, and parking and institutional uses are interspersed between ground floor retail. The overall vacancy rate is 17.8 percent. Since the 2006 FEIS, the number and proportion of convenience goods establishments has increased along Fulton Street, from 20 businesses (10.5 percent) to 42 businesses, accounting for 15.2 percent of storefronts.

Myrtle Avenue

The Myrtle Avenue corridor extends between Clinton Avenue in the east to Flatbush Avenue in the west, and runs through the Downtown Brooklyn and Fort Greene subareas. Commercial uses are more concentrated on the eastern end of the corridor, and are interrupted on the western and central portions by the Ingersoll and Whitman housing developments and Fort Greene Park. While existing conditions in the 2006 FEIS included a concentration of vacancies on the western

end (from Flatbush Avenue to Ashland Place), there are mixed-use developments with ground floor retail along this portion of Myrtle Avenue that have been completed since the 2006 FEIS. These include two grocery stores and a pharmacy. Between Saint Edward's Street and North Portland Avenue there are several neighborhood services such as a dry cleaner, Laundromat, and bodega. The eastern portion of Myrtle Avenue (from Washington Park to Clinton Avenue) is a denser retail corridor, with 70 storefronts, the majority of which are neighborhood services and convenience goods. Bodegas and limited service eating places are plentiful along this portion of Myrtle Avenue, and the vacancy rate is low (5.1 percent, compared with 16 percent in the 2006 FEIS). The area is well-served by grocery stores along Myrtle Avenue, as well as pharmacies, hair nail and skin services, and a variety of eating and drinking places.

Smith Street

The Smith Street corridor runs from Atlantic Avenue in the north to Degraw Street to the south and extends through portions of the Boerum Hill, Cobble Hill, and Carroll Gardens neighborhoods. The corridor includes neighborhood retail and services, such as hair and nail salons, medical and dental offices, and specialty food stores. This portion of Smith Street also includes a concentration of restaurants and bars—approximately 47 eating and drinking places are located in the relatively short corridor, accounting for 35.1 percent of storefronts. Vacancy has decreased along this corridor since the 2006 FEIS, from 22 storefronts (16.5 percent) to 14 storefronts (10.4 percent).

Vanderbilt Avenue

The Vanderbilt Avenue corridor runs from Sterling Place to Atlantic Avenue in the Prospect Heights subarea. In total, the corridor contains 80 storefronts. The largest proportion of storefronts (40.0 percent or 32 total storefronts) are eating and drinking establishments, the majority of which are full-service restaurants. There is also a concentration of neighborhood services along this portion of Vanderbilt Avenue (26.3 percent of storefronts or 21 total), including hair and nail salons, laundry and dry cleaning facilities, real estate offices, and other neighborhood services offices. Vacancy is relatively low along this corridor and has decreased since the 2006 FEIS, from 19.0 percent (15 storefronts) to 11.3 percent (nine storefronts). Since the 2006 FEIS, the proportions of eating and drinking establishments and convenience goods have increased along this portion of Vanderbilt Avenue, while shoppers' goods and neighborhood services decreased slightly. Building materials and garden supply and auto-related trade businesses are no longer present along this corridor.

Washington Avenue

The Washington Avenue corridor is located in the Prospect Heights subarea and runs from Atlantic Avenue in the north to Lincoln Place in the south. Neighborhood services, such as hair and nail care, dry cleaning, and professional services make up the largest proportion of storefronts on Washington Avenue, accounting for approximately 33.8 percent of ground-floor commercial use along the corridor. This has remained largely constant since the 2006 FEIS. The vacancy rate along this corridor has decreased since the 2006 FEIS, from about 28 percent to 21.2 percent. The corridor also includes 34 eating and drinking establishments, including nine bars. The number of eating and drinking establishments has doubled since the 2006 FEIS, when there were only 17 eating and drinking establishments, and no bars.

BUSINESSES AND INSTITUTIONS POTENTIALLY VULNERABLE TO INDIRECT DISPLACEMENT DUE TO INCREASED RENT

Businesses most vulnerable to indirect displacement due to increased rent are typically those businesses whose uses are less compatible with the economic trend that is creating upward rent pressures in the study area, i.e. those businesses that are not able to capture sales from increased foot traffic generated by the proposed project but that would nonetheless experience upward rent pressure as a result of the proposed project. For example, if a neighborhood is becoming a more desirable place to live, uses that are less compatible with residential conditions (such as manufacturing) would not benefit from the demand for goods and services introduced by the new residential population. Therefore, manufacturing businesses would be less able to afford increases in rent due to increases in property values than a neighborhood service use, such as a restaurant, which could benefit from the new residential population. The same general principle applies to institutional uses. Institutional uses that are most vulnerable to indirect displacement are those less compatible with economic trends. For example, a privately operated health center or community development group operating out of a rented storefront on a commercial corridor may experience indirect displacement pressures if demand for retail uses along the corridor increases. Recognizing that the market is changing, landlords may increase rental rates knowing that they can attract retail tenants who will pay higher rents than institutional uses.

As described in the 2006 FEIS, commercial uses that are generally compatible with economic trends may also be vulnerable to indirect displacement, if they provide products or services directed towards a demographic market that is decreasing in the area or different from the new population. For example, although neighborhood services and convenience goods businesses generally benefit from an increase in the residential population, stores that target a particular ethnic group that is not increasing proportionally with the rest of the population may be vulnerable to displacement if rents were to increase.

The 2006 FEIS identified two specific types of businesses that would be vulnerable to indirect displacement in the $\frac{3}{4}$ -mile study area: light industrial businesses located in areas where retail uses are permitted under current zoning (e.g. M1 districts) and businesses that target specific ethnic or demographic groups whose numbers are decreasing in the study area. These categories of businesses are discussed in greater detail under Probable Impacts of the Extended Build-Out Scenario.

THE FUTURE WITHOUT PHASE II

In the Future Without Phase II, no new residential or retail development would occur on the Phase II project site. The Phase II project site would remain underdeveloped. Therefore, the analysis of conditions in the Future Without Phase II is based on known planned projects in the study area, as listed in Table 2-1 in Chapter 2, "Analysis Framework," and the development of Phase I. For each of the commercial projects planned for the Future Without Phase II, employment estimates were generated based on standard industry data estimating the average number of employees per 1,000 square feet of various types of commercial space. Based on these estimates, the $\frac{3}{4}$ -mile (zip-code based) study area will gain approximately 4,789 employees by 2035 in the Future Without Phase II. This would represent an approximately 21 percent increase in employment since 2011, which is in line with NYMTC projections of borough-wide employment growth between 2015 and 2035 (23.8 percent). Many of these planned development projects are located in Downtown Brooklyn, in Prospect Heights, and in the eastern portion of the study area. The projects that will generate the most employment

include the commercial/retail development at 346 Bergen Street, the BAM South Site mixed use development, and the Hub mixed use development, as well as projected development sites from the Downtown Brooklyn rezoning and the Crown Heights West rezoning.

By 2035, in the Future Without Phase II, new employees and residents added to the study area will create new demand for retail goods and services. Changes in the level and character of retail activity in the study area described in the 2006 FEIS have continued since, and these trends can be expected to become more firmly established by 2035 as the development of more upscale retail spreads from the core of retail corridors towards their fringes. For example, the 2006 FEIS describes the significant change in retail character and increases in rental rates that occurred along the 5th Avenue corridor between 2002 and 2006. This was caused by a greater numbers of affluent households moving into the Park Slope and Boerum Hill neighborhoods, which is reflected in median household income data. The 2006 FEIS described that the new retail activity was expected to continue to spread from the southern half of the 5th Avenue retail corridor to Flatbush Avenue. This trend has since developed, as described in the Study Area Retail Profile section above. The number of eating and drinking establishments along the Flatbush Avenue corridor has increased since the 2006 FEIS. The effects of the Arena on the retail along Flatbush Avenue would also be expected to continue in the Future Without Phase II, as restaurants and national retailers would cater to the increased foot traffic.¹ Similarly, the influx of restaurants and bars along Vanderbilt Avenue would be expected to continue, as these trends have already begun to spread to neighboring Crown Heights.² In addition, the 2006 FEIS described that public actions such as the 2003 Park Slope rezoning were expected to encourage retail development along 4th Avenue and other corridors which had historically been less active. This change has also been in progress since the 2006 FEIS, as shown by the increase in neighborhood services and eating and drinking establishments along 4th Avenue, and an overall decrease in vacancies. As the market continues to recover from the 2008 recession, additional sites that were rezoned along Fourth Avenue are likely to be redeveloped.

Planned projects and projected changes identified in the 2006 FEIS were expected to change the demographics of the study area. As described in the discussion of income and housing, these changes have occurred in the study area, and are expected to continue in the study area along with the introduction of new planned projects described above.

PROBABLE IMPACTS OF THE EXTENDED BUILD-OUT SCENARIO

The analysis of the effects of the development of Phase II under the Extended Build-Out Scenario on business and employment conditions in the study area begins with, and builds upon, the 2035 trends described above for the Future Without Phase II. This section analyzes the Phase II development planned under the Extended Build-Out Scenario by 2035 and evaluates the potential for indirect business and institutional displacement associated with those changes. As indicated earlier, under the Extended Build-Out Scenario, the residential mixed-use variation and the commercial mixed-use variation would result in the same commercial development in Phase II.

¹ Impact of Atlantic Yards, for Good or Ill, Is Already Felt.” *New York Times* website, April 16, 2012. Accessed June 19, 2013.

² “‘Prospect’-ing for sales: prices and activity on the rise in Prospect Heights.” *The Real Deal* website, June 1, 2013. Accessed June 19, 2013.

By 2035, the development of Phase II under the Extended Build-Out Scenario would introduce approximately 156,007 sf of retail and community facility space, 4,932 residential units, and approximately 2,400 parking spaces and at the election of the New York City Department of Education, a 100,000-sf public school.

Table 4A-17 shows the estimated employment that would be generated by the development of Phase II under the Extended Build-Out Scenario. As shown in the table, 713 jobs would be generated by 2035 as a result of the development of Phase II under the Extended Build-Out Scenario. By 2035, total employment in the ¾-mile study area in the Future Without Phase II would be approximately 28,055, a 2.3 percent increase over the 27,432 jobs expected to be in place by 2035 in the Future Without Phase II.

Table 4A-17
Estimated Employment Generated by Phase II under the
Extended Build-Out Scenario

Project Component	Employees
Residential	197
Retail/Community Facility	468
Parking	48
Total	713
Notes: Employment estimates based on the following standard employment density ratios: 3 employees per 1,000 square feet of retail/community facility space; 1 employee per 25 residential units; and 1 employee per 50 parking spaces. Numbers have been rounded.	
Sources: AKRF, Inc.	

According to the *CEQR Technical Manual*, indirect business displacement may result from an action that would increase property values and thus increase rents for potentially vulnerable categories of businesses. Such displacement can be of concern when it would result in changes to land use or population patterns or community character, or when it would displace businesses that are of significant economic value to New York City or the region.

As described above, businesses most vulnerable to indirect displacement due to increased rent are typically those businesses whose uses are less compatible with the economic trend that is creating upward rent pressures in the study area, i.e., those businesses that tend not to benefit directly (in terms of increased business activity) from the market forces generating the increases in rent. In general, the closer a retail business is to high pedestrian traffic, the better its chances of capturing some of the expenditures, and the higher the likelihood that its value as a commercial property would increase. In the case of the Extended Build-Out Scenario, it is anticipated that most of the increased demand for retail goods and services would occur within ¼ mile of the project site—a distance that the new workers, visitors, and residents are likely to walk to purchase convenience goods, visit restaurants, and seek out neighborhood services such as dry cleaning. Therefore, as with the 2006 FEIS, this SEIS analysis of indirect business displacement due to increasing commercial rents is focused on retail corridors located within a ¼-mile area (see **Figure 4A-6**).

In general, existing retail businesses in the ¼-mile study area would benefit from the larger customer base that would be created by the residential, worker, and visitor population introduced by the development of Phase II under the Extended Build-Out Scenario. As indicated in the 2006 FEIS, new residential population would generate substantially more spending potential than what annual sales at the Project’s retail stores would be expected to be. Therefore, the 2006 FEIS concluded that the new residential uses alone would generate sufficient expenditure potential to

support the retail introduced by the Project as well as retail activity at other stores located within the study area. As the development of Phase II under the Extended Build-Out Scenario would not change the overall population or amount of retail introduced by the Project, the analysis presented in the 2006 FEIS regarding the potential for project population to generate enough sales power to support the retail introduced by the Project as well as a substantial amount of retail activity at other stores located within the study area, thereby increasing sales at some existing businesses, would remain valid, albeit later than projected in the 2006 FEIS. In the Future Without Phase II, no additional potential spending would be introduced to the project site, and existing businesses would not benefit from the underdeveloped project site.

As described above, the 2006 FEIS concluded that while there was a trend of increased retail activity and rising retail rental rates underway in the study area, the increased demand for retail goods and services introduced by the Project could lead to further increases in rents in the study area, which could lead to indirect displacement. Assuming an increase in rents, retail stores most vulnerable to displacement would be those that are not able to capture sales from the new population. The 2006 FEIS concluded that the vulnerability of businesses in the ¼-mile study area to indirect displacement would depend on the proximity of businesses to various elements of the new development as well as the type of business. Each of the corridors in the ¼-mile study area is examined below relative to the analysis presented in the 2006 FEIS, as affected by changed background conditions and the extended construction schedule.

BUSINESSES NOT VULNERABLE TO INDIRECT DISPLACEMENT PRESSURE

The following retail concentrations were identified in the 2006 FEIS as not likely to experience indirect business displacement pressures as a result of the Project, and are not expected to experience such pressure as a result of the development of Phase II under the Extended Build-Out Scenario. As described below, these retail concentrations contain businesses that would benefit from the spending introduced by the development of Phase II under the Extended Build-Out Scenario; are surrounded by development trends that would be more likely to exert indirect displacement pressures than the development of Phase II under the Extended Build-Out Scenario; or would not experience displacement pressures due to distance from the project site.

Atlantic Avenue (West)

The 2006 FEIS concluded that any future indirect business displacement along the portion of Atlantic Avenue within the ¼-mile study area (between Flatbush Avenue and Nevins Street) would be the result of neighborhood changes occurring independent of the Project. The 2006 FEIS cited planned developments within the area as well as the proximity to planned development in Downtown Brooklyn. In addition, the 2006 FEIS stated that the Muslim-related businesses on this corridor were not likely to be vulnerable to displacement pressures, given that they have remained in place despite the changing demographic profile of the surrounding Boerum Hill subarea.

Recent development indicates that these development trends have continued since the 2006 FEIS. As discussed above, median household income in Boerum Hill is the second highest in the study area, indicating that an affluent population is established in this area. As described above, much of the residential development cited in the 2006 FEIS as expected to result from the Downtown Brooklyn Rezoning has since occurred, and median household income in this subarea increased by 40.9 percent between 1999 and 2007–2011. These changes in background conditions indicate that, similar to the conclusions in the 2006 FEIS, any future indirect business displacement along this portion of Atlantic Avenue would be the result of residential

development trends in Boerum Hill and Downtown Brooklyn. In addition, the prolonged development of Phase II would not add any new pressure to potentially vulnerable businesses in the area, beyond what was analyzed in the 2006 FEIS. Therefore, similar to the conclusions in the 2006 FEIS, any future indirect business displacement would not be attributable to the development of Phase II under the Extended Build-Out Scenario. Therefore, extending the build out of Phase II to 2035 would not result in any significant adverse socioeconomic impacts.

Fulton Street

The Fulton Street retail corridor within the ¼-mile study area runs parallel to the project site between one and two blocks north of Atlantic Avenue, with retail clusters on the eastern and western sections (see **Figure 4A-6**). As described above, the character of the two clusters is different, and is largely defined by the subareas in which they are located. The 2006 FEIS explained that rising incomes and new developments in Fort Greene had led to retail turnover along the western portion of this corridor, and that any changes in retail property values would more likely be influenced by development occurring in Fort Greene than by the Project, which would only attract visitors through the western portion of Fulton Street traveling to the project site via the C or G train. The 2006 FEIS cited a similar change in retail along the eastern portion of the Fulton Street corridor as the result of an influx of new residents to Clinton Hill. The 2006 FEIS concluded that the eastern portion of Fulton Street was more likely to be affected by the residents introduced by Phase II of the development, but that because the new residents would be more likely to walk to Vanderbilt or Flatbush Avenue to purchase convenience goods and neighborhood services, any future increases in retail property values would more likely be a result of the increasing household incomes in Clinton Hill than of the Project. As described above, Clinton Hill has continued to evolve since the 2006 FEIS, including new residential development such as the Isabella, a seven-story, 63-unit condominium building at 545 Washington Avenue. As these residential trends have continued and are expected to continue in the future, the development of Phase II under the Extended Build-Out Scenario would have no additional effect on this portion of Fulton Street beyond what was disclosed in the 2006 FEIS. Therefore, extending the build out of Phase II to 2035 would not result in any significant adverse socioeconomic impacts.

5th Avenue

As shown on **Figure 4A-6**, the portion of the 5th Avenue retail concentration that is located within the ¼-mile study area extends six blocks south of the project site, between Flatbush Avenue and Sterling Place. The 2006 FEIS cited an existing trend of turnover to high end retail that was expected to continue in the future, filling existing vacancies with restaurants and boutiques. It was anticipated that any businesses vulnerable to displacement would be displaced before the introduction of the Phase I development, and that the new populations added to the project site during Phase I would support the types of new businesses that would become more prevalent. Therefore, the 2006 FEIS concluded that the Project was not expected to result in indirect business displacement along 5th Avenue. As described above, vacancy along this portion of 5th Avenue has decreased since the 2006 FEIS, and eating and drinking establishments and neighborhood services have increased. These types of stores appeal to the new, more affluent residential population that has moved into the surrounding area, and would also benefit from the residents, workers, and visitors introduced by the development of Phase II under the Extended Build-Out Scenario. Therefore, the development of Phase II under the Extended Build-Out Scenario would have no additional effect on this portion of 5th Avenue

beyond what was disclosed in the 2006 FEIS. Therefore, extending the build out of Phase II to 2035 would not result in any significant adverse socioeconomic impacts.

Washington Avenue and Atlantic Avenue

There are two retail concentrations in the ¼-mile study area that converge close to the eastern border of the ¼-mile perimeter: Atlantic Avenue, east of Vanderbilt Avenue to St. James Place and Washington Avenue, south of Atlantic Avenue to Bergen Street (see **Figure 4A-6**). The 2006 FEIS concluded that due to proximity, the Washington Avenue and Atlantic Avenue retail concentration in the ¼-mile study area would be more likely to be affected by Phase II of the Project. However, as the more commonly used subway stations are located west and south of the project site (the Atlantic Avenue station and Grand Army Plaza station, respectively), even the Phase II residential development was not expected to substantially increase foot traffic in the Washington/Atlantic Avenue retail area. Therefore, the 2006 FEIS concluded that the Project was not expected to result in indirect business displacement in the Washington Avenue/Atlantic Avenue retail area. As the development of Phase II under the Extended Build-Out Scenario would not change the residential population added or the locations of the subway stations, the development of Phase II under the Extended Build-Out Scenario is not expected to change the conclusion of the 2006 FEIS regarding indirect business displacement in the Washington Avenue/Atlantic Avenue retail area. Therefore, extending the build out of Phase II to 2035 would not result in any significant adverse socioeconomic impacts.

Atlantic Center/Atlantic Terminal

The 2006 FEIS concludes that the Project would not result in indirect business displacement within the Atlantic Center or Atlantic Terminal shopping centers because the destination shoppers' goods retailers in these retail centers would benefit from the new worker, residential, and visitor populations introduced by the Project and would be able to sustain any increases in rent that may occur as a result of the Project. As these retail centers are established, and the development of Phase II under the Extended Build-Out Scenario would not add any additional pressure on commercial rents beyond what was analyzed in the 2006 FEIS, these retail centers would not be adversely affected by the development of Phase II under the Extended Build-Out Scenario. Therefore, extending the build out of Phase II to 2035 would not result in any significant adverse socioeconomic impacts.

BUSINESSES THAT COULD EXPERIENCE INDIRECT BUSINESS DISPLACEMENT

The 2006 FEIS concluded that there could be some limited indirect business displacement along Vanderbilt Avenue, Flatbush Avenue, and 4th Avenue that could affect a small number of businesses including neighborhood services stores, 99-cent stores, and light industrial or auto-related uses.

Vanderbilt Avenue

The Vanderbilt Avenue retail concentration discussed in the previous section, Study Area Retail Profile, is entirely contained within the ¼-mile study area (see **Figure 4A-6**). The 2006 FEIS explained that the Vanderbilt Avenue corridor would be more likely to experience indirect business displacement from Phase II of the Project due to its proximity to the eastern portion of the project site where new residents would live. As described in the 2006 FEIS, retail stores offering convenience goods (e.g., grocery stores, florists, and pharmacies) and neighborhood services (e.g., cleaners, hair and nail salons, and laundromats) could all experience increases in

sales from the influx of new residents, which would allow them to sustain potential increases in rent. The 2006 FEIS concluded that businesses such as small professional offices (e.g., legal, accounting, insurance) and stores that sell discount goods that would likely not benefit as much from the presence of a new residential population could be vulnerable to indirect displacement as that may not be able to afford increases in rental rates that could result from the Project.

As described above, the retail vacancy rate along this corridor has declined since the 2006 FEIS; there are currently nine vacant storefronts along the corridor (11.3 percent of all storefronts along this corridor), as compared with 15 vacant storefronts in 2006 (19.0 percent of all storefronts). As described above, retail along Vanderbilt Avenue has changed along with the increasing popularity of Prospect Heights as a residential neighborhood for renters priced out of the nearby areas of Park Slope, Carroll Gardens, and Cobble Hill. The number of professional offices has decreased since the 2006 FEIS, from six to two, and the corridor does not contain any discount goods retailers. As the development of Phase II under the Extended Build-Out Scenario would result in similar residential development as that assessed in the 2006 FEIS, it is likely that the development of Phase II under the Extended Build-Out Scenario may result in the indirect displacement pressures along Vanderbilt Avenue that were associated with Phase II in the 2006 FEIS. However, as the number of potentially vulnerable businesses (including professional offices and discount retailers) has decreased since the 2006 FEIS, any potential indirect displacement would be limited to an even smaller number of businesses than identified in the 2006 FEIS. These businesses are not unique to the $\frac{3}{4}$ -mile study area, and their displacement would not substantially alter the neighborhood's economic activities. In addition, these businesses do not have locational needs that would preclude them from relocating elsewhere in the City. Therefore, similar to the conclusions in the 2006 FEIS, any indirect business displacement that would occur on Vanderbilt Avenue as a result of the development of Phase II under the Extended Build-Out Scenario would not represent a significant adverse socioeconomic impact.

Flatbush Avenue

The portion of the Flatbush Avenue corridor that falls within the $\frac{1}{4}$ -mile area extends from Atlantic Avenue in the north to Park Place in the south (see **Figure 4A-6**). The 2006 FEIS stated that along this portion of Flatbush Avenue, the business most at-risk of indirect displacement would be neighborhood services stores such as laundromats and video stores, as well as small professional offices and discount shoppers' good stores such as 99-cent or thrift stores. The 2006 FEIS concluded that based on the existing retail uses on Flatbush Avenue in proximity to the project site, any indirect business displacement that may occur as a result of the Project would be limited to a small number of these types of vulnerable stores.

As described above, since the 2006 FEIS, convenience goods stores have declined in this area, and retail vacancy has increased from 16 to 25 vacant storefronts. Most of these vacant storefronts show signs of renovation, indicating that retail turnover cited in the 2006 FEIS due to increasing incomes and residential development in Park Slope and Prospect Heights, has continued. Based on discussions with brokers, some of these vacancies may be the result of tenants who have left due to increases in rents. Demand for retail space along Flatbush has increased with the completion of the Arena, and vacant spaces are being renovated for higher-paying tenants. This turnover indicates that retail is evolving along this corridor, and would be expected to continue to change in the Future Without Phase II. However, because of its proximity to the Phase II project site, it is likely that in the future with the development of Phase II

under the Extended Build-Out Scenario, the Flatbush Avenue retail corridor could experience upward pressure on retail rental rates beyond what would occur in the Future Without Phase II.

Any indirect displacement that could occur due to the development of Phase II under the Extended Build-Out Scenario would not exceed the displacement that was projected in the 2006 FEIS. The prolonged development of Phase II under the Extended Build-Out Scenario would not add any new upward pressure on commercial rents along Flatbush Avenue beyond what was disclosed in the 2006 FEIS. In addition, the prolonged construction would distribute these effects over a longer time frame, thereby reducing the upward pressure on rents at any given point in time. Therefore, the development of Phase II under the Extended Build-Out Scenario would not alter the conclusion that the indirect displacement of these businesses would not have a substantial effect on neighborhood character, and would not lead to a significant adverse impact. As stated in the 2006 FEIS, any businesses potentially at-risk of displacement along this corridor are not unique to the $\frac{3}{4}$ -mile study area. The potential displacement of some of the businesses and the introduction of higher rent-paying retail or restaurants would not substantially alter the neighborhood's economic activities, and they do not have locational needs that would preclude them from relocating elsewhere in the City. Therefore the indirect displacement of these businesses as a result of the development of Phase II under the Extended Build-Out Scenario would not have a substantial effect on neighborhood character, and would not lead to a significant adverse impact. The 2006 FEIS reached the same conclusion with respect to the Project.

4th Avenue

The segment of the 4th Avenue retail corridor that is located within the $\frac{1}{4}$ -mile study area extends southward from the edge of the project site between Pacific and Baltic Streets (see **Figure 4A-6**). The 2006 FEIS stated that retail along the 4th Avenue corridor would be affected more by Phase I development than Phase II. In addition, the 2006 FEIS cited the 2003 Park Slope rezoning as encouraging new residential development along a portion of 4th Avenue between 15th Street and Warren Street. As the rezoning encouraged increased residential development surrounding the 4th Avenue corridor, retail was expected to change along with it.

As described above, the development of new retail along this corridor has continued since the 2006 FEIS. The proportion of neighborhood services and eating and drinking establishments has increased along 4th Avenue since the 2006 FEIS, and the proportion of vacancies and auto-related uses have decreased, indicating that retail has moved in that caters to the growing residential population. Most of the change in retail has occurred along the portion within the $\frac{1}{4}$ -mile study area, while storefronts in the southern portion are still less-dense and interspersed with residential uses, educational uses, and small offices. This trend is expected to continue in the future as planned residential developments on 4th Avenue add new residents. Based on discussions with brokers, while retail rents have increase throughout the study area, the extent that the development of the Arena has contributed to this trend has been limited to the area immediately surrounding the Arena site. While the 4th Avenue retail corridor is closest to the Arena portion of the project site, the portion of the site that would be developed in Phase II is farther away from 4th Avenue and would be expected to have less of an effect on the retail market along this corridor.

CONCLUSIONS

Consistent with the analysis provided in the 2006 FEIS, the development of Phase II under the Extended Build-Out Scenario has the potential to benefit many businesses currently located near

the project site. The development of Phase II under the Extended Build-Out Scenario would not change the overall population introduced by Phase I and Phase II of the Project as analyzed in the 2006 FEIS; therefore, the population introduced by the development of Phase II under the Extended Build-Out Scenario would generate similar spending power to support existing businesses, as analyzed in the 2006 FEIS. In addition, since the 2006 FEIS, some indirect business displacement has already occurred along retail corridors closest to the project site. The retail turnover that has occurred since the 2006 FEIS can be attributed to increased residential development due to factors independent of the development of Phase II under the Extended Build-Out Scenario (such as new residential development, and residents moving into new areas after being priced out of more expensive ones), as well as the limited amount of indirect displacement that was expected to occur as the result of the development of the Arena in Phase I. Nonetheless, the development of Phase II under the Extended Build-Out Scenario, like Phase II described in the 2006 FEIS, has the potential to result in some indirect business displacement along certain corridors within ¼ mile of the project site. As described above, due to changes since the 2006 FEIS, this displacement could be limited to an even smaller number of businesses than described in the 2006 FEIS. Further, the delay in the completion of Phase II under the Extended Build-Out Scenario would result in more time for the current trends to mature, potentially lessening any market-changing effects of Phase II development. Existing trends of changing retail would be expected to continue, and by 2035, the influence that the Phase II development would have on the surrounding market would be further diluted, as these independent market forces would be more firmly established. The influx of restaurants and bars along Vanderbilt Avenue would be expected to continue, as these trends have already begun to spread to neighboring Crown Heights.¹ The effects of the Arena on the retail along Flatbush Avenue would also be expected to continue, as restaurants and national retailers would cater to the increased foot traffic.² As the market continues to recover from the 2008 recession, additional sites that were rezoned along Fourth Avenue are likely to be redeveloped. The remaining businesses that could be vulnerable to indirect displacement would primarily consist of neighborhood services stores and light industrial or auto-related uses located on Vanderbilt Avenue, Flatbush Avenue, and 4th Avenue. The prolonged construction of Phase II of the Extended Build-Out Scenario would not add any additional upward pressure on commercial rents beyond what was analyzed in the 2006 FEIS. Therefore, any indirect business displacement that may occur as a result of the development of Phase II under the Extended Build-Out Scenario would not result in a significant adverse socioeconomic impact beyond what was disclosed in the 2006 FEIS.

INDIRECT INSTITUTIONAL DISPLACEMENT ANALYSIS

Similar to indirect business displacement, indirect institutional displacement may occur when an action increases property values and thus rents for institutions that are less compatible with economic trends. Such displacement can be of concern when it would result in changes to land use or population patterns or community character, or when it would displace businesses or institutions that are of significant economic value to New York City or the region. The analysis

¹ “‘Prospect’-ing for sales: prices and activity on the rise in Prospect Heights.” *The Real Deal* website, June 1, 2013. Accessed June 19, 2013.

² Impact of Atlantic Yards, for Good or Ill, Is Already Felt.” *New York Times* website, April 16, 2012. Accessed June 19, 2013.

of indirect institutional displacement follows the same approach utilized in the 2006 FEIS. First, all institutions are inventoried that are located within the ¼-mile study area; like the indirect business displacement analysis, this is the area in which there would be the greatest potential for the development of Phase II under the Extended Build-Out Scenario to lead to increases in rents. It should be noted that the number of institutions has changed since the 2006 FEIS, which identified a total of 79 institutions in the ¼-mile study area. There are currently approximately 97 institutions housed in owner-occupied or government-owned buildings in the ¼-mile study area. The institutions are then examined to determine to what degree they would be vulnerable to upward rent pressure resulting from the development of Phase II under the Extended Build-Out Scenario.

Tables 4A-18 and 4A-19 together list all institutional uses located within ¼ mile of the project site. Consistent with the analysis approach in the 2006 FEIS, this analysis first eliminates from the analysis institutions that are either housed in owner-occupied buildings or buildings owned by a government entity. These uses would not be vulnerable to indirect displacement pressures because institutions in owner-occupied buildings have control over the space in which they operate and institutions operating out of government-owned space would not be subject to the same market pressures as if they were renting from a private entity. **Table 4A-18** shows institutions that are either housed in owner-occupied buildings or buildings owned by a government entity. There were 60 such institutions identified in the ¼-mile study area in the 2006 FEIS and approximately 75 identified as in the same study area today.

Table 4A-19 lists the remaining institutions that are housed in buildings leased (or presumed leased) to the institution, as well as institutions for which the relationship between the building owner and the institution could not be determined. These institutions could potentially be vulnerable to the same upward rent pressures as retail uses, and are therefore the focus of the indirect institutional displacement analysis. **Figure 4A-7** shows the location of these institutional uses being examined for the risk of indirect displacement. There were 19 such institutions identified in the ¼-mile study area in the 2006 FEIS, and 22 identified as in the same study area today.

As the number of both institutions housed in owner-occupied or government-owned buildings and institutions that are leased (or presumed leased) have increased since the 2006 FEIS, it is reasonable to conclude that while some indirect displacement of institutions may have occurred since the 2006 FEIS, it has not been substantial. Though some institutions may have been displaced since the 2006 FEIS, others have found suitable locations within the study area.

The following discussion starts with institutions that rent their space and are located in close proximity to the Phase II project site, but would not be at risk of indirect displacement for various reasons. The following section discusses institutions at risk of indirect displacement as a result of the development of Phase II under the Extended Build-Out Scenario.

Institutions Operating in Rented Space But Not Likely To Be Indirectly Displaced by the Extended Build-Out Scenario

As indicated in the 2006 FEIS, institutions most vulnerable to indirect displacement would generally be located in the same retail concentrations where potential for indirect business displacement could occur. Therefore, some of the institutional uses listed in **Table 4A-19** would not be at risk of indirect displacement even though they presumably rent their space and are located in close proximity to the development of Phase II under the Extended Build-Out Scenario.

Atlantic Yards Arena and Redevelopment Project FSEIS

Table 4A-18

Institutional Uses Located Within the ¼-Mile Study Area: Owner-Occupied or Government-Owned

Block	Lot	Address	Name	Function	Owner Name
173	23	356 Schermerhorn Street	Baptist Temple	Place of Worship / Food Pantry	First Baptist Church
174	1	362 Schermerhorn Street	Metropolitan Corporate Academy High School	Public High School	Board of Education
179	24	500 State Street	Zen Center of New York City	Place of Worship	Zen Mountain Monastery
180	50	543 Atlantic Avenue	Islamic Guidance Center	Religious Institution	Islamic Guidance Center
185	19	504 Atlantic Avenue	Muhlenberg Residence, Housing Development Fund Company	Supportive Housing And Services For Homeless And Mentally Ill (Lutheran Social Services Of New York)	Halle Housing Association
185	19	510 Atlantic Avenue	Muhlenberg Residence	Soup Kitchen / Food Pantry (Lutheran Social Services Of New York)	Halle Housing Association
186	42	24 4 Avenue	Church of the Redeemer	Place of Worship	Church of the Redeemer
186	25	554 Atlantic Avenue	Al-Farooq Mosque	Place of Worship	Islamic Brotherhood Inc.
191	1	450 Pacific Street	P.S. 038 The Pacific	Public Elementary School / School-Based Hospital Extension Clinic	Board of Education
191	35	74 3 Avenue	Bethlehem Lutheran Church	Place of Worship	Metropolitan New York Synod of the Evangelical
191	29	490 Pacific Street	The Temple of Restoration	Place of Worship	The Temple of Restoration
191	30	72 3 Avenue	The Temple of Restoration	Place of Worship	The Temple of Restoration
191	41	297 Dean Street	Colony-South Brooklyn Houses	Community Center / Soup Kitchen / Food Pantry	Colony-South Brooklyn Houses
192	13	500 Pacific Street / 345 Dean Street	Brooklyn High School of the Arts	Public High School	Board of Education
197	51	265 Bergen Street	Bethel Baptist Church	Place of Worship	Bethel Baptist Church
389	23	334-336 Bergen Street	Lutheran Social Services Bergen Street Supported SRO	State/City-Contracted Permanent Supportive SRO Housing	334-336 Bergen Street Housing Development Fund Corporation (non-profit)
395	1	127 3 Avenue	Gowanus Congregation of Jehovah's Witnesses	Place of Worship	Gowanus Congregation of Jehovah's Witnesses Inc.
395	59	551 Warren Street	Warren Street SRO	State/City-Contracted Permanent Supportive SRO Housing	551 Warren Street ILI
401	1	565 Baltic Street	Police Athletic League World of Little People Head Start	Public Head Start Center	New York City Housing
928	6	25 4 Avenue	Brooklyn Public Library	Library	Brooklyn Public Library
930	3	51 4 Avenue	Iglesia Universal Del Reino De Dios / Universal Church	Place of Worship	The Universal Church
930	31, 32	422-424 Dean Street	Immanuel and First Spanish United Methodist Church	Place of Worship	Swedish Immanuel Methodist Church
934	41	76A 5 Avenue	Imani House	Food Pantry	76 Fifth Avenue Housing Development Fund Corporation

Table 4A-18 (cont'd)
Institutional Uses Located Within the ¼-Mile Study Area: Owner-Occupied or Government-Owned

Block	Lot	Address	Name	Function	Owner Name
937	40	96 5 Avenue	Pentecostal Church of the Apostolic Faith (Haitian)	Church, Synagogue, Chapel	Blood of Jesus Christ
937	41	98 5 Avenue	Park Slope Christian Academy	Parochial Schools	Park Slope Christian Tabernacle
938	26	38 Prospect Place	South Brooklyn SDA Church Pantry	Place of Worship / Food Pantry	Greater New York Corp
938	48	114 6 Avenue	St. Augustine's Episcopal Church	Place of Worship	St. Augustine's Roman Catholic Church, in the
941	50	62 Park Place	M.S. K266 - Park Place Community Middle School	Public Middle School	Board of Education
941	50	62 Park Place	P.S. 77	Public Junior/Senior High School	Board of Education
1124	72	923 Pacific Street	Little Mission Church of God	Place of Worship	Little Mission Church of God
1128	77	515 Dean Street	The Temple of Restoration	Place of Worship	The Temple of Restoration
1128	73	525 Dean Street	Boys Town New York	Group Home for Children	Girls and Boys Town of New York Inc.
1130	7	569 Vanderbilt Ave	Chabad Jewish Center	House of Worship	Hecht, Shimon
1130	27	856 Pacific Street/	The Co-Cathedral of St. Joseph's	Place of Worship	St. Joseph's Roman Catholic Church
1130	75	683 Dean Street	St. Joseph's SRO	Senior Housing	Caring Communities Association
1130	11	854 Pacific Street	The Co-Cathedral of St. Joseph's	Place of Worship	Caring Communities Association
1132	4	599 Washington Avenue	Jesus the Good Shepherd United Church	Place of Worship	Jesus the Good Shepherd
1136	11	492 Dean Street	FDNY Engine Co. 219, Ladder Co. 105	Fire Department	Fire Department
1136	1	55 6 Avenue	NYPD 78th Precinct	Police Department	Police Department
1136	68	535 Bergen Street	Boys Town New York	Group Home for Children	Girls and Boys Town of New York Inc.
1139	23, 25	650-656 Washington Avenue	Beulah Church of the Nazarene Hope City Empowerment Center	Place of Worship / Soup Kitchen / Food Pantry	Beulah Church of the Nazarene
1139	26	658 Washington Ave	Church of God Victory	House of Worship	Church of God Victory
1143	20	506 Bergen Street	Latin Evangelical Free Church	Place of Worship	First Latin Evangelical Free Church
1144	64	203 St Marks Avenue	Church of God Victory	Place of Worship	Church of God Victory
1145	26	80 Underhill Avenue	P.S. 009 Teunis G. Bergen	Public Elementary School / School-Based Mental Health Program	Board of Education
1145	26	80 Underhill Avenue	Brooklyn East Collegiate Charter School	Charter Middle School	Board of Education
1152	12	625 Vanderbilt Avenue	Brotherhood Baptist Church	Place of Worship	Brotherhood Baptist Church
1152	7504	238 St. Marks Avenue	Luria Academy of Brooklyn	Private/Parochial Elementary School	Unknown

Table 4A-18 (cont'd)

Institutional Uses Located Within the ¼-Mile Study Area: Owner-Occupied or Government-Owned

Block	Lot	Address	Name	Function	Owner Name
1152	91	241 Prospect Place	Haitian Baptist Church	Place of Worship	Haitian Baptist Church
1158	18	174 Prospect Place	Prospect Place Community Residence	Short-term residential substance abuse treatment for men	Phoenix House Foundation
1159	750 1	647 Vanderbilt Ave	Beacon of Hope House	Social/Housing Services	Archdiocese of New York
1960	11	435 Vanderbilt Avenue	Brooklyn Teen Challenge	Religious Institution	Teen Challenge, Inc.
1978	28	502 Washington Avenue	Progressive Glorious Church	Religious Institution	The Progressive Glorious Church
1978	1	937 Fulton Street	Addiction Research and Treatment Corporation (ARTC)	Diagnostic and Treatment Center Extension Clinic / Outpatient Methadone Treatment	Affiliated Services and Resources Corporation (non-profit)
1978	1	937 Fulton Street	Marguerite T. Saunders Urban Center for Alcoholism and Addiction Services	Outpatient Clinic	Affiliated Services and Resources Corporation (non-profit)
1978	17	484 Washington Avenue	Brown Memorial Baptist Church	Place of Worship / Food Pantry	Brown Memorial Baptist Church
1979	7	489 Washington Avenue	Evergreen Church of God in Christ	Place of Worship	Evergreen Church of God in Christ
2003	37	142 South Portland AVE	Hanson Place Seventh Day Adventist Community Services	Food Pantry	Housing Preservation and Development
2003	19	62 Hanson Place	Salvation Army Adult Rehabilitation Center	Adult Rehabilitation Center	Salvation Army
2004	33	127 South Portland Avenue	Hanson Place Seventh Day Adventist Church	Place of Worship	City of New York
2006	1	425 Cumberland Street	Cumberland Gardens	Nursing Home	Cumberland Gardens Housing Development
2008	1	510 Clermont Avenue	P.S. K753 - School for Career Development	Public High School	Board of Education
2010	10	520 Clinton Avenue	The Church of St. Luke and St. Matthew	Place of Worship	The Church of St. Luke and St. Matthew
2011	18	523 Clinton Avenue	Lutheran Social Services	Church, Synagogue, Chapel	Lutheran Social Services
2011	39	510 Waverly Avenue	Achievement First Endeavor Charter School	Public Elementary and High School	New York City School
2012	44	546 Washington Avenue	Bedford Zion Church of the Nazarene	Place of Worship	Bedford Zion Church of the Nazarene
2013	21	523 Washington Avenue	Zion Baptist Church	Place of Worship	Zion Baptist Church of Brooklyn
2013	20	531 Washington Avenue	Zion Baptist Church	Place of Worship	Zion Baptist Church of Brooklyn
2107	1	99 Rockwell Place	Mark Morris Dance Group	Dance School and Company	Discalced Inc. (non-profit, dba Mark Morris Dance Group)
2111	37	126 St Felix Street	Brooklyn Music School	Music School	Brooklyn Music School
2111	45	144 St Felix Street	Hanson Place Central United Methodist Church	Place of Worship	Hanson Place Central United Methodist Church
2111	11	321 Ashland Place	BAM Fisher	Theater	The Brooklyn Academy of Music
2111	15	30 Lafayette Avenue	Brooklyn Academy of Music	NYC Cultural Institution	Parks and Recreation
2113	1	55 Hanson Place	Hanson Place Child Development Center	Private Group Daycare	New York State Owned
2113	12	125 Ft Greene Place	Brooklyn Sunday School Union	Parochial Schools	Brooklyn Sunday School Union
<p>Sources: List of institutions compiled from Real Property Assessment Data (RPAD) data from the New York City Department of Finance, Department of City Planning Selected Facilities and Program Sites, and site visits conducted in July 2013. Property Ownership data was obtained from the New York City Department of Finance.</p>					

**Table 4A-19
Institutional Uses Located Within the ¼-Mile Study Area:
Not Owner-Occupied or Government-Owned**

Map No.	Block	Lot	Address	Name	Function	Owner Name
1	167	42	345 Schermerhorn Street	Central Brooklyn Medical Group	Health Center	333 Schermerhorn, LLC
2	174	18, 23	98-100 Flatbush Avenue	Beth Israel Medical Center MMTP Cumberland Clinic	Hospital Extension Clinic / Outpatient Methadone Treatment	Kimaqu Corporation
3	180	750 2	557 Atlantic Avenue	MSKCC Brooklyn Infusion Center	Hospital Extension Clinic	Unknown
4	186	12	540 Atlantic Avenue	Graham Windham	Family Permanency Planning, Health Services, Family Treatment/Rehabilitation	Daily Mirror Association
5	192	1	500 Pacific Street / 345 Dean Street	Math and Science Exploratory School M.S. 447	Public Elementary Junior and Senior High Schools	Gesualdo, Nicole
6	931	19	202-206 Flatbush Avenue ¹	New Directions Alcoholism and Substance Abuse Treatment Program	Outpatient Clinic	J MC Fadden
7	936	18	264-268 Flatbush Ave	Eladia's Kids	Childcare and preschool education	Thiri Han Inc.
8	939	42	300 Flatbush Avenue	Brooklyn Center for Psychotherapy	Day Treatment	Twin Towers Equities
9	941	30	66 Park Place	St. Augustine Roman Catholic Church	Place of Worship	Park Slope Development Corporation
10	941	30	66 Park Place	Helping Hands Food Pantry (St. Augustine Roman Catholic Church)	Food Pantry	Park Slope Development Corporation
11	1124	3	577 Washington Ave	Life in its Poetic Form Ministries	House of Worship	DPC LLC
12	1132	10	589 Washington Ave	New Hope Revival Ministries	House of Worship	Sankar, Samuel
13	1132	69	799 Dean Street	Nigerian American Muslim Integrated Community	Place of Worship	Master Vision International Inc.
14	1143	18	502 Bergen Street	Bridging Access to Care	Outpatient Clinic / Food Pantry	502,508 Bergen LLC
15	1158	47	237 Park Place	Montessori Day School of Brooklyn	Private Group Daycare	Eastlake Equities LLC
16	1159	1	671 Vanderbilt Ave	Kumon Academic Enrichment	Afterschool/Reading Program	267 PK Tenants Corp
17	1957	17	403 Carlton Avenue	New Carlton Rehabilitation and Nursing Center	Nursing Home	National Long term Care Associates, LLC
18	1978	29	506 Washington Avenue	Mango's Place Day Care	Private Group Daycare	506 Washington Avenue Owners Corporation
19	2004	50	144 South Oxford Street	Oxford Nursing Home	Nursing Home	Gemach Keren Avrohomveshifra Inc.
20	2112	27	38 Lafayette Avenue	Hanson Place Seventh Day Adventist School	Parochial Elementary School	A Randolph Haig Day Care Center Inc.
21	2113	22	95 Ft Greene Place / 650 Fulton	Brooklyn Plaza Medical Center	Diagnostic and Treatment Center	HSBC Bank USA
22	186	20	542 Atlantic Avenue	USPS Times Plaza	Post Office	GMP Associates

Note: See Figure 4A-7 for locations of institutions.
1. New Directions plans to relocate to 500 Atlantic Avenue, which is also located within the ¼-mile study area.

Sources: List of institutions compiled from Real Property Assessment Data (RPAD) data from the New York City Department of Finance, Department of City Planning Selected Facilities and Program Sites, and site visits conducted in July 2013. Property Ownership data was obtained from the New York City Department of Finance.

Institutions along the Atlantic Avenue corridor (Nos. 3, 4, and 21 on **Figure 4A-7**) and on residential streets near the Atlantic Avenue corridor (Nos. 1, 2, and 5 on **Figure 4A-7**) are not likely to be at risk of indirect displacement from the development of Phase II under the Extended Build-Out Scenario due to their distance from the project site. As discussed above, this corridor is well established, and is more likely to be influenced by development in Boerum Hill and Downtown Brooklyn, and even Phase I examined in the 2006 FEIS, than Phase II. Similarly, St. Augustine Roman Catholic Church is located far from the project site, with many intervening uses along Flatbush Avenue in between (No. 9 on **Figure 4A-7**).

The three religious institutions along the Washington Avenue/Atlantic Avenue retail corridor (Nos. 10, 11, and 12 on **Figure 4A-7**) are also not likely to experience upward rent pressure as a result of the development of Phase II under the Extended Build-Out Scenario. As described in the 2006 FEIS, any changes in commercial rents as a result of Phase II of the project would be more likely to occur along Vanderbilt Avenue than Washington Avenue. As the development of Phase II under the Extended Build-Out Scenario would result in the same overall residential development as analyzed in the 2006 FEIS, the development of Phase II under the Extended Build-Out Scenario is not expected to result in indirect institutional displacement on Washington Avenue.

As described in the 2006 FEIS, institutions along and near the Fulton Street corridor (Nos. 16, 17, 18, 19, and 20 on **Figure 4A-7**) are not likely to experience indirect displacement pressure from the Phase II development under the Extended Build-Out Scenario. These institutions are more likely to be influenced by the continuing trend of rising incomes and new development in Fort Greene and Clinton Hill described in the 2006 FEIS than by the development of Phase II under the Extended Build-Out Scenario. In addition, these institutions include two nursing homes that were described in the 2006 FEIS. The New Carlton Rehab and Nursing Center and the Oxford Nursing Home are sizable operations, and according to the New York State Department of Health, they were operating at about 92 percent and 100 percent capacity, respectfully, as of 2013. They have not been displaced since the 2006 FEIS, and they are not expected to experience indirect institutional displacement pressure due to the development of Phase II under the Extended Build-Out Scenario.

Institutions at Risk of Indirect Displacement Due to the Extended Build-Out Scenario

As described above, in the “Indirect Business Displacement” section, indirect business displacement may occur on Vanderbilt Avenue, Flatbush Avenue, and 4th Avenue. Therefore, institutions located in these areas are examined. Institutional uses located within the ¼-mile study area but outside of existing commercial corridors, on residential streets, would be less likely to experience indirect displacement pressures because their locations are less desirable for retail, and commercial uses are not permitted as of right in most of these areas. However, if the development of Phase II under the Extended Build-Out Scenario were to increase property values around the project site, some landlords might choose to convert institutional space on residential streets into market-rate residential units. The following discussion is therefore limited to institutions that are located along retail corridors that could experience indirect business displacement, or are located on residential streets in close proximity to the project site.

As shown in **Figure 4A-7**, there are three institutional uses located on Flatbush Avenue—an alcoholism and substance abuse outpatient clinic¹, a childcare/preschool facility, and a psychotherapy day treatment facility (Nos. 6, 7, and 8 on **Figure 4A-7**)—and one tutoring center located on Vanderbilt Avenue (No. 15 on **Figure 4A-7**). There are no institutional uses located on 4th Avenue.²

¹ The alcoholism and substance abuse outpatient clinic plans to relocate to 500 Atlantic Avenue. This location is within the ¼-mile study area, and therefore, the relocation of the clinic would not change the conclusions of the indirect institutional displacement analysis.

² The Montessori Day School of Brooklyn is located in a building that fronts Vanderbilt Avenue, but it does not occupy any ground floor space.

The tutoring center on Vanderbilt Avenue is a branch of a for-profit, international educational company. The services that it offers are targeted to the more affluent population that has been introduced to the neighborhood since the 2006 FEIS. Therefore, it caters to the type of residential population that would be likely to increase in the area, with or without the development of Phase II under the Extended Build-Out Scenario, and it would not be at risk of indirect displacement.

The two healthcare facilities on Flatbush Avenue that could be vulnerable to indirect displacement were also identified in the 2006 FEIS. The childcare facility that could be vulnerable to indirect displacement was not located on Flatbush Avenue at the time of the analysis in the 2006 FEIS. Although the healthcare facilities have remained on Flatbush Avenue and the childcare facility has located on Flatbush since the 2006 FEIS, it is possible that upward pressure on rents could increase with the development of Phase II under the Extended Build-Out Scenario. Although it is possible that these facilities could benefit from the new population introduced by the development of Phase II under the Extended Build-Out Scenario, increased demand for their services may not yield the additional revenue necessary to sustain increases in rental rates. Therefore, it is possible that some or all of these uses could be indirectly displaced as a result of the development of Phase II under the Extended Build-Out Scenario.

In addition, there is one institutional use on a residential street located in close proximity to the project site. Bridging Access to Care, an outpatient clinic and food pantry is located at 502 Bergen Street. This institution was also identified in the 2006 FEIS as potentially vulnerable to indirect displacement. This facility is located in an R6B zoning district, which does not allow commercial uses as of right, and would therefore not be vulnerable to displacement by retail uses. However, given its proximity to the Phase II project site, it is possible that the property owners would convert the building to market-rate residential uses, thereby displacing the existing facility.

Conclusions

In total, it is anticipated that indirect institutional displacement resulting from the development of Phase II under the Extended Build-Out Scenario would be limited to a maximum of four institutions located on Flatbush Avenue (three institutions) and on Bergen Street (one institution). The 2006 FEIS identified seven institutions identified as vulnerable to displacement by the Project. Four of these institutions are no longer located in the study area; the three that remain have been identified in this analysis as potentially vulnerable to indirect displacement.

Of the three institutions on Flatbush Avenue identified as currently vulnerable to indirect displacement, two were also identified in the 2006 FEIS, and the third has opened on Flatbush Avenue since the 2006 FEIS. The four institutions that could be vulnerable to indirect displacement by the development of Phase II under the Extended Build-Out Scenario are not unique to the $\frac{3}{4}$ -mile study area and do not define the character of the neighborhood. As shown in **Table 4A-18**, the $\frac{1}{4}$ -mile study area alone contains three other childcare facilities that own their own space, in addition to the one that was identified as at risk of indirect displacement. The study area contains eight other food pantries, and several healthcare facilities. In addition, the development of Phase II under the Extended Build-Out Scenario would include an intergenerational community center that would consist of child care, and youth and senior centers. None of the institutions identified above have locational needs that would preclude them from relocating elsewhere within the study area or the City. Most of the institutions at risk of indirect displacement operate out of small storefronts, which are found in multiple locations across the study area. As discussed under Existing Conditions, as of May 2013, retail

concentrations in the ¾-mile study area contained 1,981 storefronts, 307 of which were vacant. Although the number of vacant storefronts may decline in the future, the large number of storefronts makes it likely that some of the institutions that might be indirectly displaced by the development of Phase II under the Extended Build-Out Scenario may be able to relocate within the study area.

The development of Phase II under the Extended Build-Out Scenario would not alter the conclusions of the 2006 FEIS that the institutions at risk of indirect displacement are not unique to the study area, do not define the character of the neighborhood, do not have substantial economic value to the City as defined under CEQR, and do not have locational needs that would preclude them from relocating elsewhere within the study area or City. Overall, there are fewer institutions in the study area that would be potentially vulnerable to displacement than were analyzed in the 2006 FEIS. Although these institutions are valuable individually and collectively to the City, their potential displacement would not substantially alter the neighborhood's economic activities. Further, as the development of Phase II under the Extended Build-Out Scenario would be more gradual, the impacts would be no greater than described in the 2006 FEIS. Therefore, the development of Phase II under the Extended Build-Out Scenario would not alter the overall conclusion of the 2006 FEIS that the potential displacement of these institutions would not represent a significant adverse impact.

H. ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

According to the *CEQR Technical Manual*, a significant adverse impact may occur if an action would measurably diminish the viability of a specific industry that has substantial economic value to the City's economy. An example as cited in the *CEQR Technical Manual* would be new regulations that prohibit or restrict the use of certain processes that are critical to certain industries.

The 2006 FEIS concluded that the Project would not result in a significant adverse impact on any specific industry. It determined that the Project would not directly affect business conditions in any industry or category of business within or outside of the study area, nor would it indirectly substantially reduce employment or impair the economic viability of any industry or category of business.

Each of these reasons is examined below in the context of the development of Phase II under the Extended Build-Out Scenario.

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

Of the 27 businesses analyzed in the 2006 FEIS, 2 businesses remain on Site 5 of the Phase I project site, no businesses remain on the Arena Block of the Phase I project site, and two remain on the Phase II project site. The development of Phase II under the Extended Build-Out Scenario would not result in any additional direct or indirect business displacement beyond what was analyzed in the 2006 FEIS. Any potential indirect business displacement that could occur as a result of the development of Phase II under the Extended Build-Out Scenario would be limited, and would not be expected to adversely affect conditions within any City industries. Therefore, similar to the conclusion in the 2006 FEIS, the development of Phase II under the Extended Build-Out Scenario would not have a significant adverse impact on any specific industry within or outside of the study area.

2. Would the proposed project indirectly substantially reduce employment or impair the economic viability of an industry or category of business?

As the development of Phase II under the Extended Build-Out Scenario would not result in any additional direct or indirect business displacement beyond what was analyzed in the 2006 FEIS, no particular industry would be affected by the development of Phase II under the Extended Build-Out Scenario. In addition, similar to the conclusion in the 2006 FEIS, the anticipated increase in employment from operation of the development of Phase II under the Extended Build-Out Scenario would not significantly affect business conditions in any industry or category of business. Any potential reduction in employment due to indirect business displacement resulting from the development of Phase II under the Extended Build-Out Scenario would be limited, and would not be expected to adversely affect conditions within any City industries. Therefore, the development of Phase II under the Extended Build-Out Scenario would not lead to a significant adverse impact due to effects on specific industries, and would have no greater impacts than disclosed in the 2006 FEIS. *