

## **A. INTRODUCTION**

This chapter assesses the potential impacts of the Proposed Project on the socioeconomic character of the area within and surrounding the Fulton Houses and Elliott-Chelsea Houses New York City Housing Authority (NYCHA) campuses (collectively the Project Sites) in Manhattan Community District (CD) 4 in accordance with the National Environmental Policy Act (NEPA)<sup>1</sup>, the New York State Environmental Quality Review Act (SEQRA), and the New York 2021 *City Environmental Quality Review Technical Manual (CTM)*. The socioeconomic character of an area includes its population, housing, and economic activities. Socioeconomic changes may occur when a project directly or indirectly changes any of these elements. Although some socioeconomic changes may not result in adverse impacts, they are disclosed if they 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.

This analysis considers whether the Proposed Project could result in significant adverse socioeconomic impacts due to: (1) direct residential displacement; (2) direct business and institutional displacement; (3) indirect residential displacement; (4) indirect business and institutional displacement; and/or (5) adverse effects on specific industries in accordance with the methodologies outlined in the *CTM*.

As discussed in **Chapter 02.0**, there are three feasible alternatives under consideration for implementation of the Proposed Project. These include: Alternative 2 – the Rezoning Alternative; Alternative 3 – the Non-Rezoning Alternative; and Alternative 4 – the Midblock Bulk Alternative. A discussion of Alternative 5 – the Rehabilitation and Infill Alternative, which has been determined to be infeasible, is presented in **Chapter 05.22, “Rehabilitation and Infill Alternative Analysis.”** Refer to **Chapter 04.0, “Analysis Framework,” Table 04.0-4**, for information on the analysis approach for the three feasible alternatives for each technical area.

### **Study Area**

A socioeconomic study area is the area within which the Proposed Project has the greatest potential to affect, directly or indirectly, population, housing, and economic activities. According to the *CTM*, the study area typically corresponds to the land use study area and should reflect the scale of a proposed project relative to the area’s population. According to the *CTM*, a ½-mile study area is appropriate for projects that would potentially increase the ¼-mile area population by more than

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<sup>1</sup> Pursuant to Federal EO 14154 of January 20, 2025, the Council on Environmental Quality (CEQ) issued an Interim Final Rule “Removal of National Environmental Policy Act Implementing Regulations” on February 25, 2025, to be effective April 11, 2025. The stated purpose of this Interim Final Rule is to remove the Council on Environmental Quality (CEQ) regulations implementing NEPA from the CFR. This DEIS has been prepared pursuant to NEPA regulations in effect at the time of its preparation. As warranted, updated information on regulatory guidance will be provided in the FEIS.

five percent. The incremental population introduced by the Proposed Project, under the Rezoning, Midblock Bulk and Non-Rezoning Alternatives, would result in an increase in the ¼-mile study area residential population by more than five percent.<sup>2</sup> As such, a ½-mile study area is the appropriate study area for assessing the potential for indirect residential displacement, in accordance with *CTM* methodology.

As socioeconomic analyses depend on demographic data, it is appropriate to adjust the study area boundary to conform to the census tract delineation that most closely approximates the desired radius (in this case, a ½-mile radius surrounding the boundary of the Project Sites). For this analysis, 16 census tracts (77, 79, 81, 83, 87, 89, 91, 93, 95, 97, 99.01, 99.02, 99.03, 101, 103, and 111) comprise the ½-mile socioeconomic study area; the ½-mile socioeconomic study area is shown in **Figure 05.02-1**.<sup>3</sup> As shown in **Figure 05.02-2**, the ½-mile study area includes most of Chelsea, the southern portion of Hudson Yards, and the northern edge of Meatpacking District/West Village neighborhoods in Manhattan. It is bounded by W. 38<sup>th</sup> Street to the north, 6<sup>th</sup> Avenue to the east, Bank and W. 11<sup>th</sup> Streets to the south, and the Hudson River to the west.

## **B. PRINCIPAL CONCLUSIONS**

Based on the initial screening assessment, the Proposed Project does not exceed the *CTM* thresholds warranting analyses of direct residential displacement, direct business displacement, indirect business displacement, or adverse effects on specific industries. As the Proposed Project would exceed the *CTM* threshold warranting a preliminary indirect residential displacement analysis [increase of 200 dwelling units (DUs) or more], an assessment of indirect residential displacement is undertaken. In addition, as the Proposed Project under the Rezoning, Non-Rezoning, and Midblock Bulk Alternatives would result in the temporary relocation of up to 120 households and approximately 42,225 gsf of community facility space (the John Lovejoy Elliott Center, hereafter referred to as the Elliott Center), this chapter includes an analysis of the temporary relocations of these residents and organization and associated workers.

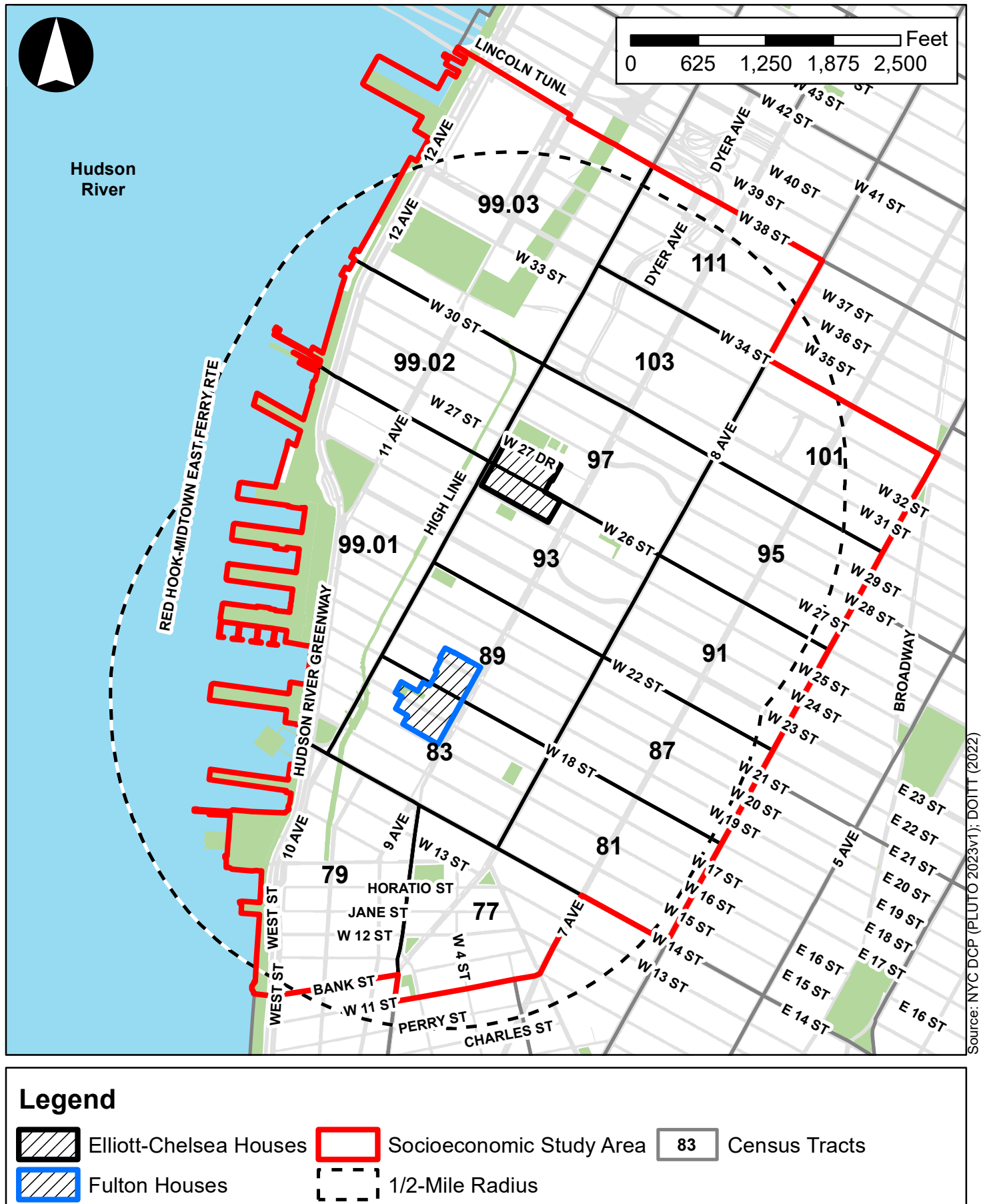
## **C. METHODOLOGY**

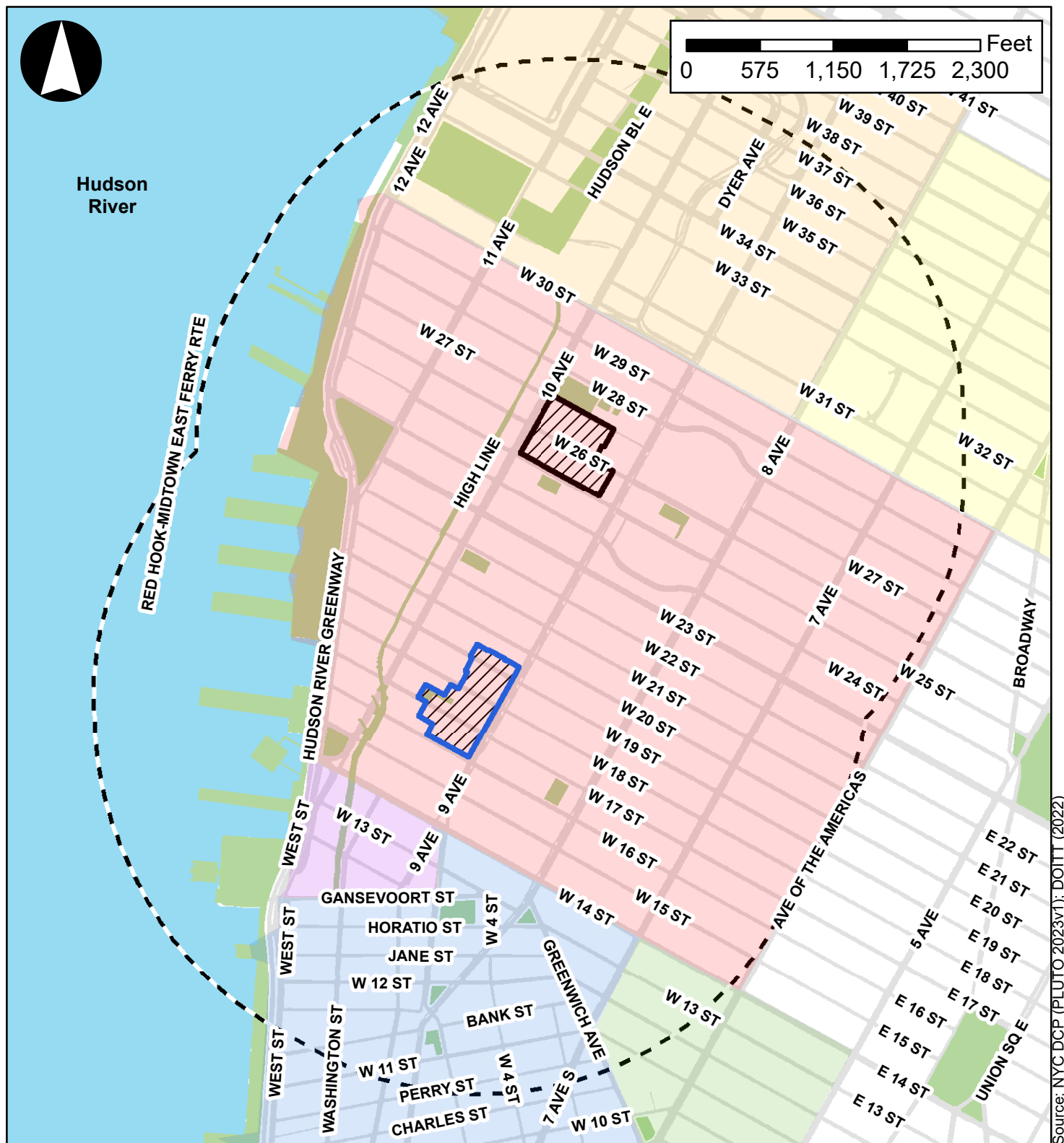
According to the *CTM*, a socioeconomic assessment should be conducted if an action may be reasonably expected to create socioeconomic changes in the area affected by the action that would not be expected to occur in the absence of the action(s). The following initial screening assessment considers threshold circumstances identified in the *CTM*, and bulleted below, that can lead to socioeconomic changes warranting further assessment.

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<sup>2</sup> The estimated number of residents for the Rezoning, Midblock Bulk, and Non-Rezoning Alternatives is based on the average household size in Manhattan Community District (CD) 4 (1.68 persons per household) according to the 2020 Decennial Census and assumes 100 percent occupancy. The Non-Rezoning Alternative would increase the ¼-mile population (34,242 residents as of 2020 Census) by an estimated 2,995 people (or an approximately 8.8 percent increase), whereas the Rezoning and Midblock Bulk Alternatives would increase the ¼-mile population by an estimated 5,803 people (or an approximate 16.9 percent increase).

<sup>3</sup> In accordance with *CTM* guidance, the socioeconomic study area includes all census tracts with at least 50 percent of their respective area within a ½-mile of the Project Sites.





Source: NYC DCP (PLUTO 2023v1); DOITT (2022)

### Legend

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| <span style="display: inline-block; width: 20px; height: 10px; background-color: #FFB6C1; border: 1px solid black;"></span> Chelsea      | <span style="display: inline-block; width: 20px; height: 10px; background-color: #FFFFE0; border: 1px solid black;"></span> Midtown South     | <span style="display: inline-block; width: 20px; height: 10px; background-color: #ADD8E6; border: 1px solid black;"></span> West Village         | <span style="display: inline-block; width: 20px; height: 10px; border: 1px dashed black; border-radius: 50%;"></span> 1/2-Mile Radius                                    | <span style="display: inline-block; width: 20px; height: 10px; background-color: #ADD8E6; border: 2px solid blue; border-style: dashed;"></span> Fulton Houses |
| <span style="display: inline-block; width: 20px; height: 10px; background-color: #FFDAB9; border: 1px solid black;"></span> Hudson Yards | <span style="display: inline-block; width: 20px; height: 10px; background-color: #90EE90; border: 1px solid black;"></span> Greenwich Village | <span style="display: inline-block; width: 20px; height: 10px; background-color: #DDA0DD; border: 1px solid black;"></span> Meatpacking District | <span style="display: inline-block; width: 20px; height: 10px; background-color: #FFDAB9; border: 2px solid black; border-style: dashed;"></span> Elliott-Chelsea Houses |  |

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

The Proposed Project under any of the alternatives would not permanently directly displace any existing NYCHA residents and would not result in significant adverse impacts related to direct residential displacement. Under the No-Action Alternative, all 2,056 existing NYCHA DUs on the Project Sites would remain as they currently exist on site. Under the Rezoning, Midblock Bulk, and Non-Rezoning Alternatives, all existing NYCHA DUs would be replaced with new Section 8 Project-Based Voucher (PBV) DUs through the Permanent Affordability Commitment Together (PACT) Program and would be set aside for existing Fulton and Elliott-Chelsea Houses (FEC) residents. Various policies, laws, and regulations are in place that require NYCHA and HUD to ensure that the existing residents' rights are protected and preserved once their unit is replaced under the PACT Program. The Proposed Project would allow for the estimated approximately 4,141 FEC residents to remain at the Project Sites. As detailed below, 120 households would be temporarily relocated during initial construction of the Proposed Project and would have the ability to return to the replacement DUs once complete.

NYCHA will continue to own the land and buildings, as well as administer the Section 8 PBV subsidy, manage the waitlist and monitor conditions at the Project Sites under the Rezoning, Midblock Bulk, and Non-Rezoning Alternatives. The Section 8 PBV DUs will continue to serve low-to moderate income residents, maintain permanently affordable rents and residents will continue to pay 30 percent of their adjusted gross income towards rent. Residents will not have to pay any additional fees, charges, or utility expenses that are greater than what they currently pay under NYCHA Section 9 and will have automatic lease renewal each year that cannot be terminated except for good cause similar to existing conditions. Residents would also continue to have the right to organize, and resident organizations would continue to receive funding.

As described in **Chapter 04.0**, the Rezoning, Midblock Bulk, and Non-Rezoning Alternatives would involve the replacement of all existing NYCHA DUs and community facility uses within the Project Sites. Under the Rezoning, Midblock Bulk, and Non-Rezoning Alternatives, the replacement housing would be federally funded through Section 8 PBV, which would allow NYCHA to unlock additional funding and private investment. There are two principal purposes that have been identified for the Proposed Project. One purpose of the Proposed Project is to improve the quality of life and housing stability for existing NYCHA residents of the Project Sites through the PACT program. Another purpose of the Proposed Project is to facilitate the construction of additional affordable and market-rate DUs to address the critical shortage of affordable housing and housing in general in New York City. The additional market-rate housing will financially support the PACT portion and new affordable housing components of the Proposed Project. The new affordable DUs would directly address the shortage by increasing New York City's affordable housing stock, while the new market-rate DUs would also address the overall City-wide housing shortage by generally increasing the supply of housing in New York City. The Proposed Project would also facilitate the development of accessory open space. In addition, the Proposed Project would provide commercial space and additional community facility space for the benefit of NYCHA residents and the surrounding community.

Project construction staging is designed so that 94 percent of the replacement Section 8 PBV DUs would be completed before the existing NYCHA DUs they replace are vacated, meaning nearly all FEC residents will remain in the existing buildings until the replacement buildings are ready for occupancy. Therefore, the majority of FEC residents would only move when the new buildings are complete. However, in the first stage of project implementation, prior to construction of the replacement housing, up to approximately 6 percent—or 120 households (with an estimated population of approximately 224 residents)—from two of the existing 18 buildings<sup>4</sup> that house residents on the Project Sites would need to be relocated temporarily and the buildings housing them vacated to facilitate the Proposed Project. As such, this chapter includes an analysis of the temporary relocation of up to 120 households from the Projects Sites due to the staged construction of the Proposed Project.

According to Section 411 of Chapter 5 of the *CTM*, impacts of direct residential displacement are usually considered significant if they would markedly change the socioeconomic character of the study area by dislocating substantial number of lower-income households that could not relocate within the study area. Generally, if the number of low-income residents to be displaced exceeds five percent of the primary study area population – or relevant subareas, if the displaced population is located within the subarea identified -- and the displaced population could not be related within the study area, a potential significant adverse impact may occur. In these cases, mitigation should be considered. As detailed above, the Proposed Project would not result in permanent direct residential displacement, and the temporary relocation of residents during construction of the Proposed Project would not constitute a significant adverse impact pursuant to CEQR methodology. While the Proposed Project under the Rezoning, Midblock Bulk, and Non-Rezoning Alternatives would involve temporary relocation of up to 120 households (with an estimated population of approximately 224 residents), adherence to requirements of applicable statutes and regulations, including but not limited to the Uniform Relocation and Real Property Acquisition Policies Act of 1970, as amended (URA) and implementing regulations at 49 Code of Federal Regulations (CFR) 24, Notice H 2016-17; Office of Public and Indian Housing (PIH) 2016-17, as amended, and the corresponding HUD Notice H-2019-09 PIH 2019-2023 (HA) REV-4 (September 5, 2019) as may be further amended from time to time (RAD Fair Housing, Civil Rights, and Relocation Notice); HUD Notice PIH-2024-40 (HA), Demolition and/or Disposition of Public Housing Property, Eligibility for Tenant-Protection Vouchers, and Associated Requirements, (December 26, 2024) (Section 18), Section 18 of the Housing Act of 1937, as amended and implementing regulation, 24 CFR part 970 and all applicable State and local regulations, and with regard to a federally approved Tenant Relocation Plan would not result in significant adverse direct residential displacement, as it would not have the potential to alter the socioeconomic character of the surrounding neighborhood.

- ***Direct Business Displacement: Would the Proposed Project directly displace more than 100 employees, or directly displace a business whose products or services are uniquely dependent on its location, are the subject of policies or plans aimed at its preservation, or serve a population uniquely dependent on its services in its present location? If so,***

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<sup>4</sup> The two buildings include Fulton 11 at the Fulton Houses Project Site and the Chelsea Addition at the Elliott-Chelsea Houses Project Site.



***assessments of direct business displacement and indirect business displacement are appropriate.***

The Proposed Project would not directly displace any existing employees or businesses/institutions and would not result in significant adverse impacts related to direct business displacement. In addition to the replacement of existing NYCHA DUs, the Proposed Project would facilitate the replacement of all existing community facility spaces on the Project Sites under the Rezoning, Midblock Bulk, and Non-Rezoning Alternatives. This includes approximately 67,159 gsf of community facility space across both project sites, which consists of day care space and neighborhood center space, all of which are operated by Hudson Guild. All 157 existing employees of Hudson Guild, including 126 neighborhood center employees and 31 daycare (universal pre-k) employees are expected to be retained and existing programming/services would occupy the replacement community facility space under the Rezoning, Midblock Bulk and Non-Rezoning Alternatives. The No-Action Alternative assumes that the Project Sites would remain in their current condition and no new development would occur at the Project Sites.

In addition, there are currently 68 NYCHA government employees across the two Project Sites, including 32 employees at Fulton Houses Project Site and 36 employees at Elliott-Chelsea Houses Project Site. Under the No-Action Alternative, no new development or changes would occur at the Project Sites and the 68 NYCHA government employees would continue to be employed at the Project Sites. Under the Rezoning, Midblock Bulk, and Non-Rezoning Alternatives, as the scheduled demolition of each of the buildings at the Project Sites proceeds, NYCHA will redeploy the 68 employees into existing NYCHA job vacancies elsewhere, using seniority order based on the amount of time served in the current civil service title. NYCHA will deploy staff to the closest vacancy to their home, based on availability and seniority. Based on NYCHA's experience with other PACT projects, it is anticipated that all 68 employees will find employment at other NYCHA locations. Existing NYCHA staff will also be encouraged, if interested, to apply for open property management positions with the PACT partner at their current development to remain employed at the Project Sites. PACT requires economic opportunities generated by the conversion to be directed to public housing residents through a Federal project called Section 3. PACT partners will provide residents with long-term employment prospects, job training, and opportunities for resident-owned businesses. Through the Section 3 program, residents will have access to job opportunities in the following fields: Construction, Management, and Contract.

As noted previously, construction staging for the Proposed Project under the Rezoning, Midblock Bulk, and Non-Rezoning Alternatives is designed so that the newly constructed community facility spaces will be completed and available before most existing community facility spaces are vacated (all but the Elliott Center, discussed below), meaning community facility space will remain in the existing buildings until the replacement buildings are ready for occupancy. However, in the initial phase of project implementation, prior to construction of the first two replacement buildings, one of the existing community facilities, the Elliott Center, would be vacated prior to the opening of new community facility space under the Rezoning, Midblock Bulk, and Non-Rezoning Alternatives. Temporary swing spaces on- and off-site, identified and designed in coordination with the Hudson Guild leadership team, would be provided nearby to accommodate existing programming from the Elliott Center. Once constructed, the first stage replacement buildings under the Rezoning, Midblock Bulk, and Non-Rezoning Alternatives will be able to accommodate all affected households as well as all programming originally housed within the Elliott Center.

Temporary Relocation Plans for the Elliott Center under the Rezoning, Midblock Bulk, and Non-Rezoning Alternatives will adhere to requirements of applicable statutes and regulations, including but not limited to the URA and implementing regulations of RAD Fair Housing, Civil Rights, and Relocation Notice, Section 18 of the Housing Act of 1937, as amended and implementing regulation, 24 CFR part 970 and all applicable State and local regulations.

While the Proposed Project would involve temporary relocation of the Elliott Center, with the Temporary Relocation Plan measures summarized above in place, it would not result in significant adverse direct business or institutional displacement.

- ***Indirect Residential and/or Business Displacement due to Increased Rents: Would the Proposed Project result in substantial new development that is markedly different from existing uses, development, and activities within the neighborhood? Residential development of 200 units or less or commercial development of 200,000 sf or less would typically not result in significant socioeconomic impacts. For projects exceeding these thresholds, an assessment of indirect residential displacement and indirect business displacement is appropriate.***

The Proposed Project would facilitate the construction of more than 200 incremental DUs under the Rezoning, Midblock Bulk, and Non-Rezoning Alternatives, and therefore, would exceed the CTM thresholds warranting assessment of indirect residential displacement (refer to **Table 05.02-1**).

As detailed in **Table 05.02-1**, the Proposed Project would not exceed the commercial development 200,000-sf incremental screening threshold for indirect business and institutional displacement under the Rezoning, Midblock Bulk, or the Non-Rezoning Alternatives, and therefore, no further analysis of this issue of socioeconomic concern is warranted.

**Table 05.02-1: Rezoning, Midblock Bulk, and Non-Rezoning Alternatives as Compared to the No-Action Alternative**

Land Use *	No-Action Alternative	Rezoning/Midblock Bulk Alternative Development Program	Rezoning/Midblock Bulk Alternative Increment	Non-Rezoning Alternative Development Program	Non-Rezoning Alternative Increment
<b><i>Residential (NYCHA/ Section 8 PBV DUs)</i></b>	2,056 DUs	2,056 DUs	0 DUs	2,056 DUs	0 DUs
<b><i>Residential (Market/Affordable DUs)</i></b>	0 DUs	3,454 DUs	+3,454 DUs	1,783 DUs	+1,783 DUs
<b><i>Commercial (gsf)</i></b>	0 gsf	46,364 gsf	+ 46,364 gsf	29,075 gsf	+29,075 gsf
<b><i>Community Facility (gsf)</i></b>	67,159 gsf	175,852 gsf	+ 108,693 gsf	199,708 gsf	+ 132,549 gsf

**Notes:**

\* Commercial space includes local retail and supermarket uses, and community facility space includes medical office, universal pre-K center, daycare, and neighborhood center uses.

- ***Indirect Business Displacement due to Retail Market Saturation: Would the Proposed Project result in a total of 200,000 sf or more of retail on a single development site or***



***200,000 sf or more of regional-serving retail across multiple sites? This type of development may have the potential to draw a substantial amount of sales from existing businesses within the study area, resulting in indirect business displacement due to market saturation.***

The Proposed Project would not result in 200,000 incremental sf or more of retail on a single development site or 200,000 incremental sf or more of region-serving retail across multiple sites under any of the alternatives. Therefore, an assessment of indirect business displacement due to retail market saturation is not warranted.

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

The Proposed Project is not expected to affect conditions within a specific industry, affect a substantial number of workers or residents who are dependent on the goods and services provided by affected businesses, or result in the loss or substantial diminishment of a particularly important product or service within the City. Moreover, the Proposed Project is site-specific and would not include any citywide regulatory changes that would adversely affect the economic and operational conditions of certain types of businesses or processes. In addition, the Proposed Project would not result in development warranting an assessment of direct or indirect business displacement; therefore, an assessment for adverse effects on specific industries is not warranted and the Proposed Project would not have the potential to result in significant adverse impacts on specific industries.

Based on the initial screening assessment, in accordance with CEQR TM guidance, the Proposed Project warrants a preliminary assessment of indirect residential displacement. In addition, this chapter provides further consideration (assessment) of the temporary relocations of up to 120 households and approximately 42,225 gsf of community facility space (the Elliott Center) from the Projects Sites, which would need to be temporarily relocated prior to the completion of the first two replacement buildings due to the phased construction of the Proposed Project.

### **Analysis Format**

Per the *CTM*, a preliminary assessment of a project's potential to cause indirect residential displacement is necessary to determine whether the project may either introduce a trend or accelerate a trend of changing socioeconomic conditions that may potentially displace a vulnerable population to the extent that the socioeconomic character of a neighborhood would change. As described in the *CTM*, indirect residential displacement usually results from substantial new development that is markedly different from existing uses and activity in an area, which can lead to increased property values in the area. Increased property values can lead to increased rents, which can make it difficult for some existing residents to remain in their homes.

An indirect residential displacement analysis is typically conducted in cases in which the potential impact may be experienced by renters living in privately held DUs unprotected by rent control,

rent stabilization, or other government regulations restricting rents, and whose incomes or poverty status indicate that they may not support substantial rent increases. Residents who are homeowners or who are renters living in rent-restricted DUs would not be vulnerable to rent pressures pursuant to CTM guidance.

Following *CTM* guidance, the socioeconomic analysis of potential indirect residential displacement begins with a preliminary assessment. The purpose of the preliminary assessment is to learn enough about the effects of the Proposed Project to either rule out the possibility of significant adverse impacts or determine that a more detailed assessment is warranted. A detailed assessment, when required, is framed in the context of existing conditions and evaluations of the future without the Proposed Project and the future with the Proposed Project by the project build year of 2041. In conjunction with the land use analysis undertaken for this Environmental Impact Statement (EIS) (see **Chapter 05.01, “Land Use, Zoning, and Public Policy”**), specific development projects expected to occur in the area in the future without the Proposed Project were identified, along with the possible changes in socioeconomic conditions that would result (e.g., potential increases in population, changes in the income characteristics of the study area, possible changes in rents or sales prices of residential DUs, or changes in employment or retail sales). Those conditions were then compared with the condition in the future with the Proposed Project to determine the potential for a significant adverse impact.

### **Data Sources**

Information used in the socioeconomic analysis includes population, housing, rent, and income data from the United States (US) Census Bureau’s 2020 Census, 2006-2010 American Community Survey (ACS) Five-Year Estimates, 2018-2022 ACS Five-Year Estimates, compiled through the NYC Department of City Planning’s (DCP’s) NYC Population FactFinder, which is an online mapping tool. The ACS Five-Year Estimates reflect five-year averages of income distribution, mean and median household income and median rent for the trailing 12 months in inflation-adjusted dollars. The mean and median household income and median gross rent for the study area were compiled by the NYC Population FactFinder. 2020 Census data was used for population estimates. Data on the study area was compared to Manhattan CD 4,<sup>5</sup> Manhattan, and New York City.

The difference between the population reflected in the 2020 Census and population in 2023 was estimated based on completed New York City Department of Buildings (DOB) construction projects (including new buildings, demolitions, and major alterations) compiled in DCP’s Housing Database: Project-Level Files for the 4<sup>th</sup> quarter of 2023. The estimated residential population is calculated using the average household size of Manhattan CD 4 (1.68 persons per household) and accounts for the socioeconomic study area’s vacancy rate (5.95 percent<sup>6</sup>), as of the 2020 Census.

Residential rental rates and sale values were obtained through online property databases, as well as through current market reports published by Douglas Elliman, CitiHabitats, and Corcoran. Real

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<sup>5</sup> The Department of City Planning (DCP) created Community District Tabulation Areas (CDTAs), which closely approximate the 59 Community Districts of New York City for the purpose of reporting American Community Survey (ACS) data. CDTAs are built by aggregating whole census tracts.

<sup>6</sup> The study area’s vacancy rate is calculated based on for rent and for sale only DUs according to the 2020 Census.

estate property listings and trend data were obtained from Streeteasy.com,<sup>7</sup> Corcoran.com, and Compass.com. Area Median Income (AMI) for the New York City region was obtained from the US Department of Housing and Urban Development (HUD).

## **D. AFFECTED ENVIRONMENT**

According to the *CTM*, a socioeconomic assessment should be conducted if a project may be reasonably expected to create socioeconomic changes in the area affected by the project that would not be expected in the absence of the project. Under CEQR, the assessment of socioeconomic conditions usually distinguishes between the socioeconomic conditions of an area's residents and businesses. However, a proposed project can affect either or both segments in similar ways: it may directly displace residents or businesses; or it may alter one or more of the underlying forces that shape socioeconomic conditions in an area and thus may cause indirect displacement of residents or businesses. The objective of the CEQR analysis is to disclose whether any changes created by the proposed project would have a significant impact compared with what would happen in the future without the proposed project.

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

Indirect or secondary displacement is defined as the involuntary displacement of residents, businesses, or employees in an area adjacent to, or close to, a project or development site that results from changes in socioeconomic conditions created by a proposed project or action. Examples include rising residential rents in an area that results from new concentration of higher-income housing introduced by a project, which ultimately could make existing housing unaffordable to lower-income residents; a similar turnover of industrial to higher-rent commercial tenancies induced by the introduction of a successful office project in an area; or the flight from a neighborhood that can occur if a proposed project creates conditions that break down the community (such as a highway dividing the area). 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.

Even if a project does not directly or indirectly displace businesses, it may affect the operation and viability of a major industry or commercial operation in the city. An example would be new regulations that prohibit or restrict the use of certain processes that are critical to certain industries. In this case, the CEQR review may involve the assessment of the economic impact of the project on the specific industry in question.

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<sup>7</sup> StreetEasy is a searchable online database that uses web data extraction to compile an aggregated list of residential property listings from most of New York City's largest brokerage firm and hundreds of small-scale brokers.

This section describes the population and housing characteristics of the socioeconomic study area. It characterizes existing trends and provides a comparison of the socioeconomic study area with Manhattan and New York City, as well as Manhattan CD 4.

### **Project Sites**

As described in **Chapter 04.0**, the Project Sites consist of two separate public housing campuses, the Fulton Houses and Elliott-Chelsea Houses, which are owned, operated and maintained by NYCHA. The Fulton Houses and Elliott-Chelsea Houses provide rental housing for eligible low- and moderate-income households, who have incomes at or below 80 percent of AMI. The household income limits of NYCHA public housing are based on HUD guidelines. NYCHA caps the household's rent at either 30 percent of a household's adjusted gross income or the flat rent for the apartment size,<sup>8</sup> whichever is lower.

The Project Sites are currently funded with Section 9 subsidies from HUD. NYCHA Section 9 developments are federally protected housing that rely on Federal funding, which the government specifically puts aside for public housing maintenance, repairs and operations. For 2023, NYCHA received \$753 million in Federal capital grant funding, of which approximately 40% (or \$301 million) would be utilized for capital projects and improvements, and the remaining 60% (or \$452 million) would be utilized in other areas for NYCHA. The 20-year need identified in the 2023 *Physical Needs Assessment* (PNA) across the Project Sites is estimated to be approximately \$927,509,823 due to aging infrastructure and decades of Federal disinvestment.

### **Population**

The Project Sites consist of two separate public housing campuses, the Fulton Houses and Elliott-Chelsea Houses, which are owned, operated and maintained by NYCHA. Combined, the two Project Sites accommodate a total of 2,056 DUs within 18 buildings.<sup>9</sup> These 2,056 DUs provide rental housing for eligible low- and moderate-income households and house an estimated 4,141 residents.

Based on 2020 Decennial Census data, the socioeconomic study area has an estimated population of 81,607 with the FEC accounting for roughly five percent of the population. As described in **Chapter 05.04, "Open Space"**, people between the ages of 20 and 64 make up the majority (73.4 percent) of the residential population. Children and teenagers (0 to 19 years old) account for approximately 11.7 percent of the residential population, and persons 65 years and over account for nearly 15 percent of the study area population (refer to **Table 05.04-3 in Chapter 05.04**). The study area has a median age of 37.1, which is approximately 1.0 years younger than the median age for Manhattan (38.1 years) and approximately 0.4 years younger than the median age for New York City as a whole (37.5 years).

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<sup>8</sup> Pay Rent - NYCHA (website), City of New York, [www.nyc.gov/site/nycha/residents/pay-rent.page](http://www.nyc.gov/site/nycha/residents/pay-rent.page).

The flat rent for NYCHA housing in the fiscal year 2024 depends on the apartment site and is as follows: \$1,909 for a studio; \$1,961 for a one-bedroom; \$2,202 for a two-bedroom; \$2,748 for a three-bedroom; \$2,960 for four-bedroom; \$3,404 for a five-bedroom; and \$3,848 for a six-bedroom.

<sup>9</sup> The 2,056 DUs include 1,112 DUs at the Elliott-Chelsea Houses Project Site and 944 DUs at the Fulton Houses Project Site.

As shown in **Table 05.02-2**, the study area population has increased by more than 22 percent since 2010, which is more than triple the rate of population growth compared to the rest of Manhattan. New York City as a whole had a growth rate of slightly less than eight percent during the same time period. Manhattan CD 4, which includes the neighborhoods of Hell’s Kitchen, Chelsea, and Hudson Yards, as well as part of the Garment District, the Flower District and Meatpacking District, experienced an even greater rate of population increase between 2010 and 2020, with a growth rate exceeding 27 percent.

**Table 05.02-2: Residential Population**

	2010	2020	Numeric Change	Percent Change
Study Area	66,572	81,607	15,035	22.6%
Manhattan CD 4	103,245	131,351	28,106	27.2%
Manhattan	1,585,873	1,694,251	108,378	6.8%
New York City	8,175,133	8,804,190	629,057	7.7%

Source: US Census Bureau, 2010 and 2020 Census via NYC Population FactFinder

Since the 2020 Census, the socioeconomic study area has continued to experience an increase in housing supply. Based on DCP’s Housing Database: Project-Level Files for the 4th quarter of 2023, more than 3,100 DUs have been added to socioeconomic study area in multifamily residential buildings with 10 or more DUs since 2020 (refer to **Table 05-02-3**). As shown in **Table 05.02-3**, more than 82 percent of this new multifamily housing consists of market-rate DUs, most of which consist of owner-occupied condominiums. Three developments, 3Eleven at 311 11th Avenue, The Set at 451 10th Avenue and the Ruby at 241 West 28th Street, which added 1,950 DUs included both market-rate and affordable DUs. The affordable DUs at 3Eleven are targeted at households earning 40, 60, and 100 percent of AMI. The affordable DUs at The Set are targeted at households earning 40, 60, and 120 percent of AMI (54 DUs, 54 DUs, and 27 DUs, respectively). The affordable DUs at the Ruby are targeted at households earning 70 to 130 percent of AMI.

**Table 05.02-3: Completed Multifamily Residential Developments with 10 or more DUs in the Study Area since 2020 Census**

Building Name/Address	Block	Lot	Total Residential DUs	Market-Rate DUs	Affordable DUs
Selis Manor Enlargement / 135 W. 23rd St	799	21	10	0	10 (visionally impaired)
Citizen Condominium / 124 W 16th St	791	7502	15	15	0
Lantern House/ 501 W. 18th St	690	7503	180	180	0
132 W. 26th St	801	30	10	10	0
Abi Chelsea 455 W. 19th St	717	7505	10	10	0
Graydon/ 128 W. 23rd St	798	7508	30	30	0
HxH Residences/ 517 W. 29th St	701	24	60	60	0
The Deborah Enlargement / 125 W. 16th St	792	20	11	11	0
The Maverick Chelsea/ 215 W. 28th St	778	7502	87	87	0
3Eleven/ 311 11th Ave (601 W. 29th St)	675	12	938	703	235
Park House/ 500 W. 22nd St	693	7505	10	10	0
The Maverick Chelsea/ 225 W. 28th St	778	25	112	77	35

Building Name/Address	Block	Lot	Total Residential DUs	Market-Rate DUs	Affordable DUs
The Cortland/ 555 W 22nd St	694	7502	141	141	0
The Set & Coterie Hudson Yards (451 10th Ave) *	707	31	532	397	135
531 6th Ave	790	7505	44	44	0
300 W. 30th St	753	7503	69	69	0
76 11th Ave	689	7501	373	373	0
Ruby/ 241 W. 28th St	778	18	480	336	144
435 W. 19th St	717	7506	21	21	0
<b>Total</b>			<b>3,133</b>	<b>2,574</b>	<b>559</b>

**Note:**

\* The Coterie Hudson Yards at 451 Tenth Avenue includes 126 independent living, assisted living senior units with amenities.

**Source:** DCP Housing Database: Project-Level Files for the 4th quarter of 2023, as of 4/2024

## **Household Income**

Household income characteristics for the study area population are described using the average (or mean) and median household incomes, as well as a breakdown of income distribution. The median household income represents the mid-point of all household incomes in a study area, and the mean household income is calculated by dividing aggregate income by the total number of households in a study area. The presence of higher- or lower-income households raises or lowers the area's mean income, sometimes substantially higher or lower than the median of household income in a study area.

The Project Sites provide rental housing for eligible low- and moderate-income households, who have incomes at or below 80 percent of AMI. The household income limits of NYCHA public housing are based on HUD guidelines. NYCHA caps the household's rent at either 30 percent of a household's adjusted gross income or the flat rent<sup>10</sup> for the apartment size, whichever is lower. According to NYCHA's 2023 Resident Data Book Summary, the average household gross income for families in public housing is \$26,529, while the average monthly rent is \$572 in Manhattan. Over 45 percent of public housing families in Manhattan rely on fixed incomes, and approximately 13 percent receive welfare assistance. Additionally, more than 47 percent of families in public housing are led by a head of household aged 62 or older.<sup>11</sup>

According to 2018-2022 ACS Five-Year Estimates, the mean annual household income within the socioeconomic study area is approximately \$213,864 as compared to \$184,045 in 2006-2010 (refer to **Table 05.02-4**).<sup>12</sup> The existing mean annual household income of study area residents is relatively high and comparable to 175 percent of the AMI of New York City for a family of two.<sup>13</sup> As shown in **Table 05.02-4**, households within the study area have higher mean household

<sup>10</sup> Pay Rent - NYCHA (website), City of New York, [www.nyc.gov/site/nycha/residents/pay-rent.page](http://www.nyc.gov/site/nycha/residents/pay-rent.page).

<sup>11</sup> <https://www.nyc.gov/assets/nycha/downloads/pdf/Resident-Data-Book-Summary-2023.pdf>.

<sup>12</sup> Based on the MOE for the mean household income of the study area according to the 2018-2022 ACS Five-Year Estimates (MOE of \$16,840), the average household income is, with 90 percent confidence, between \$197,024 to \$230,704. Only the direction in mean household income between the 2006-2010 and 2018-2022 ACS Five-Year Estimates within the study area can be reported with statistical confidence.

<sup>13</sup> The 2024 AMI for the New York City region is \$124,300 for a two-person family (100 percent AMI) and therefore, 175 percent of the AMI for a two-person family is \$217,525. The AMI for a two-person family is used because the average household size for Manhattan CD 4, which includes portions of the neighborhoods of Chelsea and Hudson Yards, is 1.68 persons according to the 2020 Census.



incomes, as compared to Manhattan (\$184,058) and New York City (\$122,667) as a whole. Households in Manhattan CD 4 have a mean household income of \$178,482, which is higher than New York City.<sup>14</sup>

**Table 05.02-4: Household Income Characteristics within the Study Area, Manhattan CD 4, Manhattan, and New York City<sup>1</sup>**

	Median Household Income 2006-2010 ACS	Median Household Income 2018-2022 ACS	Median Household Income Percent Change or Directional Change	Mean Household Income 2006-2010 ACS	Mean Household Income 2018-2022 ACS	Mean Household Income Percent Change or Directional Change
Study Area	\$110,848	\$124,001	Increase <sup>2</sup>	\$184,045	\$213,864	Increase <sup>2</sup>
Manhattan CD 4 <sup>3</sup>	\$97,197	\$109,674	Increase <sup>2</sup>	\$154,877	\$178,482	Increase <sup>2</sup>
Manhattan	\$87,665	\$99,880	13.9%	\$165,451	\$184,058	11.2%
New York City	\$67,850	\$76,607	12.9%	\$105,106	\$122,667	16.7%

**Notes:**

\* All dollar values have been adjusted to 2022 dollars.

<sup>1</sup> Statistical reliability of the data included in this table has been vetted using DCP's NYC Population FactFinder.

<sup>2</sup> If the margin of error (MOE) of the difference between 2006-2010 and 2018-2022 ACS Five-Year Estimates is greater than the difference, a change cannot be reported with confidence; if the MOE of the difference is greater than one third of the difference, a change cannot be estimated with confidence and only the direction of change can be reported (i.e., increase/decrease). For the study area and Manhattan CD 4, only the directionality of change could be reported for the study area's median and mean annual household incomes between 2006-2010 and 2018-2022.

<sup>3</sup> Manhattan Community District Tabulation Area (CDTA) 4 is used as opposed to Manhattan CD 4 as CDTAs are built out of census data and useful for reporting ACS data.

**Sources:** Bureau of the Census, 2018-2022 and 2006-2010 ACS Five-Year Estimates, as reported on DCP's Population Factfinder in September 2024

Trends in the mean household income within the study area, Manhattan CD 4, larger borough, and greater city indicate that the mean household income is increasing across all areas. As shown in **Table 05.02-4**, the mean household income in Manhattan increased by slightly more than 11 percent from 2006-2010 and 2018-2022 ACS Five Year Estimates, and in New York City by nearly 17 percent. Only the directionality of change (an increase) in mean household income could be reported with statistical confidence for both the study area and Manhattan CD 4 between 2006-2010 and 2018-2022 ACS Five-Year Estimates.<sup>15</sup>

In all areas, the median household income is lower than the mean household income, indicating the presence of higher-income households within the study area, Manhattan CD 4, Manhattan, and overall city earning more than the typical household (refer to **Table 05.02-4**). As shown in **Table 05.02-4**, consistent with the trends in mean household income, the median household income within the study area is higher than both Manhattan and city. According to 2018-2022 ACS Five-

<sup>14</sup> Data represents Manhattan CDTA 4 (MN04 Hell's Kitchen; Manhattan CD 4 approximation). DCP created CDTAs, which are built out of census tracts and closely approximate the 59 Community Districts of New York City for the purposes of reporting ACS data.

<sup>15</sup> If the MOE of the difference is greater than one third of the difference, a change cannot be estimated with confidence and only the direction of change can be reported (i.e., increase/decrease). For the study area and Manhattan CD4 only the directionality of change could be reported for the median and mean annual household incomes between 2006-2010 and 2018-2022.

Year Estimates, the median household income for the study area is an estimated \$124,001,<sup>16</sup> as compared to \$99,880 for Manhattan households and \$76,607 for New York City households, respectively. Households in Manhattan CD 4 have a median household income of \$109,674. The study area's existing median annual household income is roughly equivalent to 100 percent of the 2024 AMI for the New York City region for a two-person family. Like mean household incomes, the median household incomes within the study area, Manhattan, and city have increased indicating a trend of increasing incomes across all areas.

**Table 05.02-5** illustrates the distribution of household incomes within the study area as compared to Manhattan CD 4, Manhattan and New York City. As shown in **Table 05.02-5**, consistent with higher mean and median household incomes, the distribution of household incomes within the study area is skewed towards higher incomes as compared to Manhattan and New York City. Relative to Manhattan and New York City, the study area has a smaller percentage of households within the lower income brackets. More than 57 percent of households within the study area earned \$100,000 or more, with approximately 33 percent earning \$200,000 or more, whereas approximately 50 and 40 percent of households earned \$100,000 or more in Manhattan and New York City, respectively. The distribution of household incomes in Manhattan CD 4 also is skewed towards high incomes with approximately 53 percent of households earning \$100,000 or more and 28 percent of households earning \$200,000 or more.

**Table 05.02-5: Household Income Distribution within the Study Area, Manhattan CD 4, Manhattan, and New York City (2018-2022)**

	Total Households	Households Earning Less than \$25,000		Households Earning \$25,000 to \$49,999		Households Earning \$50,000 to \$99,999		Households Earning \$100,000 to \$199,999		Households Earning \$200,000 or more	
		#	%	#	%	#	%	#	%	#	%
Study Area	40,845	6,118	15.0%	4,400	10.8%	6,960	17.4%	9,819	24.0%	13,548	33.2%
Manhattan CD 4 <sup>1</sup>	69,105	11,805	17.1%	9,148	13.2%	11,255	16.3%	17,472	25.3%	19,425	28.1%
Manhattan	772,601	146,736	19.0%	91,336	11.8%	148,483	19.2%	177,413	23.0%	208,633	27.0%
New York City	3,282,804	655,649	20.0%	515,571	15.7%	800,254	24.4%	799,063	24.3%	512,267	15.6%

**Notes:**

The statistical reliability of the data included in this table has been vetted using DCP's NYC Population FactFinder.

<sup>1</sup> Manhattan CDTA 4 used as opposed to Manhattan CD 4 as CDTAs are built out of census data and useful for reporting ACS data.

**Source:** US Census Bureau, 2018-2022 ACS Five-Year Estimates via NYC Population FactFinder in September 2024.

**Table 05.02-6** provides information on poverty rates in the study area, Manhattan CD 4, Manhattan and New York City. As shown in **Table 05.02-6**, more than 11 percent of the population for whom poverty status is determined in the study area had incomes below the poverty level,<sup>17</sup> as compared to nearly 16 percent of the population in Manhattan and approximately 17 percent in New York City. Approximately 12 percent of the population for whom poverty status can be

<sup>16</sup> Based on the MOE for the median household income of the study area according to the 2018-2022 ACS Five-Year Estimates (MOE of \$8,363), the average household income is, with 90 percent confidence, between \$115,638 to \$132,364.

<sup>17</sup> Poverty thresholds are determined based on family size and age and are the same for the entire county. In 2024, the poverty threshold for a three-person family including one child under 18 was \$25,820.

determined in Manhattan CD 4 had incomes below the poverty level. The percentage of persons living below the poverty level within Manhattan and New York City decreased between 2006-2010 and 2018-2022.

**Table 05.02-6: Percent of Persons Living Below the Poverty Level within the Study Area, Manhattan CD 4, Manhattan, and New York City (2018-2022)**

	2006-2010 Number	2006-2010 Percent	2018-2022 Number	2018-2022 Percent
Study Area	8,174	13.1%	8,200	11.7%
Manhattan CD 4 <sup>1</sup>	14,400	15.0%	14,301	12.4%
Manhattan	273,701	17.8%	252,677	15.8%
New York City	1,518,636	19.1%	1,459,608	17.2%

**Notes:**

The statistical reliability of the data included in this table has been vetted using DCP's NYC Population FactFinder.

<sup>1</sup> Manhattan CDTA 4 used as opposed to Manhattan CD 4 as CDTAs are built out of census data and useful for reporting ACS data.

**Source:** Bureau of the Census, 2006-2010 and 2018-2022 Five-Year ACS Estimates via NYC Population FactFinder in September 2024.

### **Rental Market Housing Profile**

ACS data provide a general picture about the rate at which rental housing costs are changing in a neighborhood. Based on five-year ACS estimates, the median gross rent has increased in the study area, Manhattan, and New York City since 2010. As shown in **Table 05.02-7**, the median gross rent in Manhattan increased by more than 21 percent from 2006-2010, and in New York City by more than 18 percent. Only the directionality of change in median gross rent could be reported with statistical confidence for both the study area and Manhattan CD 4 between 2006-2010 and 2018-2022 ACS Five-Year Estimates.<sup>18</sup> The median gross rent in the study area is also higher than in Manhattan and New York City. As shown in **Table 05.02-7**, the study area's median gross rent is more than \$620 higher than Manhattan and more than \$930 than New York City.

**Table 05.02-7: Median Gross Rent (2018-2022)<sup>1</sup>**

	2006-2010 ACS	2018-2022 ACS	Percent Change or Directional Change <sup>2</sup>
Study Area	\$2,029	\$2,646	Increase
Manhattan CD 4 <sup>3</sup>	\$1,965	\$2,325	Increase
Manhattan	\$1,665	\$2,024	21.6%
New York City	\$1,445	\$1,714	18.6%

**Notes:**

\* All dollar values have been adjusted to 2022 dollars.

<sup>1</sup> Statistical reliability of the data included in this table has been vetted using DCP's NYC Population FactFinder.

<sup>2</sup> If the MOE of the difference between 2006-2010 and 2018-2022 ACS Five-Year Estimates is greater than the difference, a change cannot be reported with confidence; if the MOE of the difference is greater than one third of the difference, a change cannot be estimated with confidence and only the direction of change can be reported (i.e., increase/decrease). For the study area and Manhattan CD 4, only the directionality of change could be reported for median gross rent.

<sup>3</sup> Manhattan CDTA 4 used as opposed to Manhattan CD 4 as CDTAs are built out of census data and useful for reporting ACS data.

**Source:** US Census Bureau, 2006-2010 ACE Five-Year Estimates and 2018-2022 ACS Five-Year Estimates via NYC Population FactFinder in September 2024.

<sup>18</sup> If the MOE of the difference is greater than one third of the difference, a change cannot be estimated with confidence and only the direction of change can be reported (i.e., increase/decrease). For the study area, only the directionality of change could be reported for the study area's median gross rent.

Although US Census ACS data provides information on median gross rent, this data fails to distinguish between DUs subject to market rents and those under some form of rent regulation, nor does it provide information according to unit size. Market comps, including Manhattan rental market reports and recent apartment listing information, are summarized below to further understand where the market is today.

**Table 05.02-8** provides a summary of the Corcoran Manhattan Rental Market Report as of July 2024. As shown in **Table 05.02-8**, average rental rates have increased in Midtown West, Chelsea/Flatiron, and Greenwich Village/West Village neighborhoods, which overlap with the socioeconomic study area. Average rental rates ranged from a low of \$5,299 in Midtown West to upwards of \$6,892 in Chelsea/Flatiron and are higher than the median rent of \$4,670 in Manhattan. Excluding SoHo/TriBeCa, the neighborhoods of Chelsea/Flatiron had one of the highest average rents in Manhattan. Apartment vacancy rate hovered between 1.48 percent in Greenwich Village/West Village to slightly more than 3.2 percent in Chelsea Flatiron. Only Midtown West and Chelsea/Flatiron neighborhoods experienced a greater number of signed leases in July 2024 than the prior year.

**Table 05.02-8: Average Rent, Vacancy Rate and Year over Year Change in Leasing Activity by Neighborhoods in the Study Area (as of July 2024)<sup>1</sup>**

Neighborhood	Average Rent July 2024	Average Rent July 2023	Average Rent Year over Year Percent Change	Vacancy Rate	Year over Year Percent Change in Leases Signed
Midtown West	\$5,299	\$4,872	8.0%	2.67%	54% <sup>2</sup>
Chelsea/Flatiron	\$6,892	\$6,678	3.0%	3.27%	1%
Greenwich Village/West Village	\$6,575	\$6,557	0.3%	1.48%	-5%

**Note:**

<sup>1</sup> The Project Sites are located within the neighborhood of Chelsea.

<sup>2</sup> Signed leases for Midtown West increased most significantly, up 54 percent due to new rental introductions.

**Source:** The Corcoran Report, July 2024, Manhattan Rental Market:

[https://www.eccorcoran.com/uploaded\\_doc/Corcoran\\_July\\_2024\\_Manhattan\\_Rental\\_Market\\_Report\\_FINAL.pdf](https://www.eccorcoran.com/uploaded_doc/Corcoran_July_2024_Manhattan_Rental_Market_Report_FINAL.pdf)

According to Corcoran's *Residential Rental Market Report* from March & First Quarter 2018, average rental rates in Midtown West, Chelsea, and Greenwich/West Village neighborhoods were \$3,774, \$4,124, and \$4,433, respectively in 2018. After accounting for inflation, market trends indicate that average rents in these three neighborhoods have increased significantly over the last five years by approximately 11 percent, 32 percent, and 18 percent, respectively.<sup>19</sup>

### **Recent Residential Rental Market Trends**

**Table 05.02-9** summarizes online listings for 201 available apartments by unit size (or bedroom) in the study area providing average asking rent, median asking rent, and third quartile<sup>20</sup> asking rent, from September 2024 and November 2024. As shown in **Table 05.02-9**, the average asking rents range from a low of \$3,927 for a studio to upwards of \$11,450 for three or more bedrooms.

<sup>19</sup> CPI Inflation Calculator (website), Bureau of Labor Statistics, <https://data.bls.gov/cgi-bin/cpicalc.pl>.

2018 dollars were adjusted using the Bureau of Labor Statistics, Consumer Price Index inflation calculator.

<sup>20</sup> Per CTM guidance, the average, median and third quartile market rents are reported.

Based on the mix of unit types in the study area and third quartile asking rents, the average asking rent for apartments in the study area is estimated to be \$6,750.

**Table 05.02-9: Median, Average, and Third Quartile Market Rents in the Study Area (September/November 2024)<sup>1</sup>**

# of Bedrooms	Number of Apartment Listings	Median Asking Rent	Average Asking Rent	Third Quartile Asking Rent
Studios	46	\$3,900	\$3,927	\$4,599
1-Bedroom	55	\$5,180	\$5,194	\$6,000
2-Bedroom	52	\$6,572	\$7,222	\$9,196
3-Bedroom or More	48	\$8,737	\$11,450	\$13,125
Total/Weighted Average	201	\$5,500	\$5,703	\$6,750

**Note:**

<sup>1</sup> Represents the number of apartments listed and the third quartile rents based on 201 market listings within the study area including neighborhoods such as the West Village, Chelsea, Flatiron, Hell's Kitchen and Hudson Yards from September/November 2024.

**Source:** Corcoran.com, Compass.com, Street Easy, <http://streeteasy.com/>, accessed in September/November 2024

## E. ENVIRONMENTAL EFFECTS

A detailed description of the alternatives analyzed in this chapter is presented in **Chapter 02.0**.

### **Alternative 1 – No-Action Alternative**

Under the No-Action Alternative, no new development would occur on the Project Sites and the existing buildings will remain as they currently exist on-site. No direct residential or community facility displacement would occur and no significant adverse indirect effects would result from the No-Action Alternative. NYCHA buildings would continue to be funded with Section 9, limiting NYCHA's ability to utilize other sources of funding to address capital needs. The existing uses and buildings would remain as they currently exist on site under the No-Action Alternative and would only receive maintenance work consisting of much-needed repairs that are intended to improve the living conditions and quality of life within the existing NYCHA buildings. Capital repair costs fall short of both the five-year and 20-year capital investment needs identified by the PNA for the Project Sites. With no increase in funding expected in the coming years, it is not feasible to assume that NYCHA would be able to fully fund the capital needs identified in the PNA for the sites, and as such, the existing buildings would largely remain in their current substandard condition and would continue to deteriorate in the No-Action Alternative. There would be no new development on the Project Sites under this alternative.

All 2,056 existing NYCHA DUs would remain and continue to provide rental housing for eligible low- and moderate-income households, who have incomes at or below 80 percent of AMI. The Fulton Houses Project Site would continue to accommodate 944 NYCHA DUs (up to 944 households and an estimated 1,586 residents<sup>21</sup>), 14,634 gsf of neighborhood center community facility space, and 95 accessory parking spaces. The Elliott-Chelsea Houses Project Site would continue to contain 1,112 NYCYA affordable housing DUs (up to 1,112 households and an

<sup>21</sup> 2020 Decennial Census.

Assuming 100 percent occupancy and an average household size of 1.68, which is the average household size in Manhattan CD 4 according to the 2020 Census.

estimated 1,868 residents<sup>22</sup>), 42,225 gsf of neighborhood center community facility space, 10,300 gsf of daycare space, and zero accessory parking spaces.

It is also anticipated that the current land use trends and general development patterns would continue within the study area. The study area would continue to support a predominantly residential nature with new development. In addition, it is anticipated that the existing trends of increasing rents and increasing household income in the socioeconomic study area would continue.

As presented below in **Table 05.02-10**, a considerable amount of new residential development is currently planned or anticipated to be completed within the socioeconomic study area by 2041. Following *CTM* guidance provided in Chapter 5, Section 320, given that the Proposed Project has a build year of 2041, the No Action future residential population for the socioeconomic study area is estimated based on known planned development projects (including new buildings, demolitions, and major alterations) that are still under construction, as well as projects that are permitted for construction and those that have filed applications at DOB, which are in a more preliminary stages of development. The estimated residential population for these projects is calculated using the average household size (1.68 persons per household) and accounts for the study area's vacancy rate, as of the 2020 Census (5.95 percent). Additionally, the No-Action future residential population accounts for two additional projects that have not yet entered the DOB permitting pipeline but are known projects seeking discretionary approval and would facilitate new residential development by the Proposed Project's Build Year of 2041, including the Western Rail Yards Modifications project and the associated projected developments and residential conversions anticipated as a result of the Midtown South Mixed-Use Plan Rezoning<sup>23</sup>. As shown in **Table 05.02-10**, these No-Action developments are anticipated to introduce an additional approximately 11,029 residents to the socioeconomic study area by 2041.

**Table 05.02-10: Known Planned No-Action Alternative Residential Developments and Estimated Residential Population to be introduced to the Study Area by 2041**

Study Area	New DUs	Occupied DUs	Additional Residents
Active DOB Permits as of 12/31/23	1,079	1,015	1,705
Active DOB Filings as of 12/31/23	938	882	1,482
601 West 30th Street Western Rail Yard Modifications <sup>1</sup>	1,507	1,507	2,562
Midtown South Mixed-Use Plan Rezoning <sup>1,2</sup>	3,143	3,314	5,280
<b>Total No-Action Residential Development</b>	<b>6,667</b>	<b>6,547</b>	<b>11,029</b>

**Notes:**

<sup>1</sup> The projected residents for the Western Rail Yard Modifications and Midtown South Mixed-Use Plan Rezoning projects assume 100 percent occupancy and are consistent with the Western Rail Yard Modifications DEIS (CEQR No. 24DCP091M) and Midtown South Mixed-Use Plan (CEQR No. 24DCP094M).

<sup>2</sup> Given that only a portion of the Midtown South Mixed-Use Plan Rezoning falls within the ½-mile study, only a subset of the overall project is included. These new DUs account for new development as well as residential conversions that fall within the ½-mile study area.

**Source:** DCP Housing Database: Project-Level Files for the 4<sup>th</sup> Quarter of 2023, as of 4/2024, Western Rail Yard Modifications DEIS (CEQR No. 24DCP091M), Midtown South Mixed-Use Plan (CEQR No. 24DCP094M)

<sup>22</sup> 2020 Decennial Census.

<sup>23</sup> The No-Action future residential population only accounts for the portion of the Midtown South Mixed-use Plan Rezoning area that falls within the ½-mile study area. The estimated residents are based on the Western Rail Yard Modifications DEIS (CEQR No. 24DCP091M) and Midtown South Mixed-Use Plan DEIS (CEQR No. 24DCP094M).



**Alternative 2 – Rezoning Alternative and Alternative 4 – Midblock Bulk Alternative****Temporary Residential Relocations**

All residents requiring temporary relocation to other housing off site would be accommodated to ensure continuity of habitation through the URA, which is overseen by HUD. The URA and its implementing regulations at 49 CFR 24, Notice H 2016-17; PIH 2016-17, establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or relocation of persons from their homes, businesses, or farms. The URA's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for Federal or federally funded projects. The URA is intended to provide uniform, fair and equitable treatment for persons whose real property is acquired or who are relocated, including persons who must move permanently or temporarily, in connection with federally funded projects. This includes owners, tenants and businesses. It also ensures that relocation assistance and payments are provided to relocated persons to lessen the emotional and fiscal impact of relocation, as well as ensures that no individual or family is relocated unless decent, safe, and sanitary housing is available within the person's financial means. This is accomplished through relocation notices, advisory services, and payments, including reimbursement for the costs of moving personal property for owners, tenants, and businesses. Any persons that are relocated from their dwellings are assured that replacement housing is available through replacement housing payments.

Per the URA, all temporarily relocated residents will sign a temporary relocation agreement that guarantees their right to return to the Project Sites once their new home is complete. These residents would also receive advisory and financial assistance. The advisory services will include referrals to comparable and suitable replacement homes, inspection of replacement housing to ensure that it meets standards, help in preparing claim forms for relocation payments and other assistance to minimize the impact of the move. Additionally, the temporarily relocated residents would be provided payment for packing and moving expenses and replacement housing assistance. Unless there is a health or safety emergency, residents will not be required to move without at least 90 days advance written notice of (1) at least one “comparable replacement home” and (2) the earliest date by which the resident must move.

As described previously, under the Rezoning and Midblock Bulk Alternatives, all 2,056 existing NYCHA DUs at the Project Sites would be replaced in phases with new Section 8 PBV DUs. All existing NYCHA residents at the Project Sites will automatically qualify for the new Section 8 PBV housing at the Project Sites and will be offered a new PACT tenant lease without the need to be re-screened. The Section 8 PBV DUs under the PACT program will preserve permanent affordability and preserve residents’ rights and protections. Therefore, existing FEC tenants will not be directly displaced from the Project Sites, and the Proposed Project will not result in any direct residential displacement.

The Proposed Project’s staged demolition and replacement as well as building construction timeline will permit the majority of FEC residents to remain at the Project Sites until the replacement Section 8 PBV buildings are ready for occupancy. Under the Rezoning, Non-Rezoning, and the Midblock Bulk Alternatives, 94 percent of new Section 8 PBV DUs (1,936 DUs and 3,917 residents) would be completed before their existing NYCHA DUs would be vacated,

demolished, and replaced, meaning the majority of FEC residents will remain in their existing DUs and buildings on-site until the replacement residences are ready for occupancy.

Although project construction staging under the Rezoning and Midblock Bulk Alternatives is designed so that a majority of FEC residents would only move when the new Section 8 PBV buildings are complete and would not need to relocate from the Project Sites, two of the 18 existing buildings that house residents at the Project Sites will need to be vacated and demolished, prior to the completion of the replacement Section 8 PBV buildings. The residents of these two buildings would be temporarily relocated from the Project Sites, while the first replacement Section 8 PBV buildings at the two sites are under construction.

The two affected buildings include the 36-DU building on the Fulton Houses Project Site at 401-419 W. 19th Street (existing Fulton 11 building) and the 96-DU Chelsea Addition building on the Elliott-Chelsea Houses Project Site at 436 W. 27th Drive. As there are currently several uninhabited DUs in these two residential buildings, there are currently approximately 120 households (an estimated 224 residents or approximately 6 percent of FEC residents) residing in these two buildings, which would need to be temporarily relocated from the Project Sites, while the initial Section 8 PBV buildings are under construction. The first two Section 8 PBV replacement buildings (one each on the Fulton Houses Project Site and the Elliott-Chelsea Houses Project Site) are currently expected to be constructed and ready for occupancy by the second half of 2028. These new buildings would accommodate all 120 affected households (an estimated 224 residents), allowing these temporarily relocated households to move back onto the Project Sites within approximately 38 months from when construction begins.

All residents requiring temporary relocation to other housing, either on- or off-site would be accommodated to ensure continuity of habitation through the URA, which is overseen by HUD. The residents of these 120 households that are temporarily moved will sign a temporary relocation agreement that guarantees their right to return to the Project Sites once their new home is complete and ensure tenants do not bear any of the costs associated with packing or moving. Temporary Relocation Plans for the approximately 120 affected households will adhere to requirements of applicable statutes and regulations, including but not limited to the URA and implementing regulations at 49 CFR 24, Notice H 2016-17; PIH 2016-17, as amended, and the corresponding HUD Notice H-2019-09 PIH 2019-2023 (HA) REV-4 (September 5, 2019) as may be amended from time to time (RAD Fair Housing, Civil Rights, and Relocation Notice), HUD Notice PIH-2024-40 (HA), Demolition and/or Disposition of Public Housing Property, Eligibility for Tenant-Protection Vouchers, and Associated Requirements, (December 26, 2024) (Section 18), Section 18 of the Housing Act of 1937, as amended and implementing regulation, 24 CFR part 970 and all applicable State and local regulations. NYCHA and the PACT Partner will submit the Temporary Relocation Plan to HUD for their review and approval prior to construction of the Proposed Project.

As the Proposed Project involves the use of Federal funds, in addition to the preservation of social services, unit affordability, and resident rights afforded to residents through the PACT program, the up to 120 households relocated from their homes are afforded protections under the URA. The URA is a Federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or relocation of persons from their homes, businesses, or farms. The URA's protections and assistance apply to the acquisition,

rehabilitation, or demolition of real property for Federal or federally funded projects. The URA is intended to provide uniform, fair, and equitable treatment for persons whose real property is acquired or who are relocated, including persons who must move permanently or temporarily, in connection with federally funded projects. This includes owners, tenants, and businesses. It also ensures that relocation assistance and payments are provided to relocated persons to lessen the emotional and fiscal impact of relocation, as well as ensures that no individual or family is relocated unless decent, safe, and sanitary (DSS) housing is available within the person's financial means. This is accomplished through relocation notices, advisory services, and payments, including reimbursement for the costs of moving personal property for owners, tenants, and businesses. Any persons that are relocated from their dwellings are assured that replacement housing is available through replacement housing payments.

In compliance with these regulations, all temporarily relocated residents would be offered advisory and financial assistance to relocate temporarily. The advisory services will include referrals to comparable and suitable replacement homes, inspection of replacement housing to ensure that it meets standards, help in preparing claim forms for relocation payments and other assistance to minimize the impact of the move. Additionally, the temporarily relocated residents would be provided payment for moving expenses<sup>24</sup> and replacement housing assistance. Residents will be given at least 90 days advance written notice of (1) at least one "comparable replacement home" that is available to occupy and (2) the earliest date by which the resident must relocate.

In accordance with URA, the comparable replacement home must be decent, safe and sanitary. It must be functionally equivalent to (and equal or better than) existing housing. It also must be affordable as well as available to rent. In addition, it must be reasonably accessible to the tenant's place of employment and generally well located with respect to public and commercial facilities, such as schools and shopping as the Project Sites.

### **Temporary Community Facility Relocations**

Approximately 42,225 gsf of community facility space would be temporarily relocated during initial construction of the Proposed Project.

The Proposed Project's construction staging will permit most FEC community facility spaces to remain in existing locations on the Project Sites until the replacement community facility spaces are ready for occupancy. Under the Rezoning, Midblock Bulk, and the Non-Rezoning Alternatives, the approximately 14,634 gsf Fulton Community Center in existing Fulton 7 building at 119 9th Avenue would remain in place until its replacement space is completed in the new Fulton 1 building, expected in the second quarter of 2028. At this time, its adult services and art gallery would move directly from the existing space into the new permanent space in the proposed Fulton 1 building, requiring no temporary relocations at any point to this community facility. Additionally, under the Rezoning, Midblock Bulk, and the Non-Rezoning Alternatives, the approximately 10,300 gsf Children's Center at 459 West 26th Street on the Elliott-Chelsea Houses Project Site would remain in place until its replacement space is completed in the new Elliott-

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<sup>24</sup> The relocation payment to cover the reasonable cost of the move including transportation, packing, moving and unpacking of household goods, and disconnecting and reconnecting household appliances and other personal property (e.g. telephone, and cable TV).

Chelsea 1 building, expected in the third quarter of 2028. At this time, its daycare and early childhood education facilities would move directly from the existing space into the new permanent space in Elliott-Chelsea 1 building, requiring no temporary relocations at any point to this community facility.

However, although project construction staging under Rezoning , Midblock Bulk, and Non-Rezoning Alternatives is designed so that most FEC community facility spaces would only move when the new buildings are complete and would not need to relocate from the Project Sites, the existing 42,225 gsf Elliott Center community facility space located at 441 West 26th Street on the Elliott-Chelsea Houses Project Site would need to be vacated and demolished prior to the completion of the replacement building. As this existing building is anticipated to be demolished in the third quarter of 2025 and the new permanent facility in Elliott-Chelsea 1 building is not expected to open until quarter three of 2028, the Elliott Center would need to be temporarily relocated for approximately 38 months while the new Elliott-Chelsea 1 building is under construction.

The arts, early childhood education, youth development and education, adult services, community building, and mental health programming provided by the Elliott Center would be temporarily relocated to other off-site spaces during this time period pursuant to an agreement executed between Hudson Guild and the PACT Partner. There would be continuity of most services through the URA which is overseen by HUD; however, some services of the Elliott Center may be affected temporarily, as acceptable to Hudson Guild. The PACT Partner is committed to the temporary relocation of the Elliott Center and its associated employees and ensuring that the Elliott Center and associated workers return to the Project Site once their new spaces are complete. The Elliott Center would be offered advisory and financial assistance to temporarily relocate. Relocation Plans for the Elliott Center would adhere to requirements of applicable statutes and regulations.

### **Indirect Residential Displacement**

In accordance with *CTM*, the following provides the step-by-step guide for a preliminary assessment of indirect residential displacement for the Rezoning Alternative and Midblock Bulk Alternative.

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

As described in **Chapter 02.0** and detailed below, under the Rezoning Alternative and Midblock Bulk Alternative, all existing NYCHA DUs and community facility spaces on the Project Sites would be replaced in stages. All existing NYCHA DUs would be replaced and reserved for current FEC residents as Section 8 PBV DUs. Additional development, including residential development, in the form of new mixed-income buildings containing both market-rate and additional affordable DUs, and new commercial and community facility spaces, expanding the amount of space serving the local community would be provided. All uses would be located in new buildings, constructed in stages.

Under the Rezoning Alternative and Midblock Bulk Alternative, the proposed zoning changes would permit an increase in residential density and facilitate the development of a considerable amount of new housing, including affordable housing, as well as some commercial and community facility space. The Project Sites would also be designated Mandatory Inclusionary Housing Areas (MIHAs). The MIH program would set mandatory income-restricted housing requirements pursuant to the City's MIH program and require a share of new residential floor area be set aside as permanently income-restricted on the Project Sites.<sup>25</sup> With the adoption of the City of Yes for Housing Opportunity (CHO), the MIH program sets forth three revised primary options that are characterized by different affordability levels, which promote a range of affordable development.

- Option 1 requires 25 percent of residential floor area must be permanently affordable housing for residents with incomes averaging 60 percent of AMI, with 10 percent of that number set aside for households earning up to 40 percent AMI;
- Option 2 requires 30 percent of residential floor area must be affordable housing for residents with incomes averaging 80 percent of AMI; and
- Option 3 requires that 20 percent of residential floor area must be affordable to residents with incomes averaging 40 percent AMI.

Under MIH, the production of permanently income-restricted housing would be a condition of any future incremental residential development in the Project Sites, which is expected to help preserve income-restricted housing in the surrounding area.<sup>26</sup> There would be no expiration to the affordability requirements of DUs created through the MIH program, making them a long-term stable reservoir of income-restricted housing in the surrounding area, a key policy to meet the goals outlined in the City's *Housing Our Neighbors: A Blueprint for Housing and Homelessness*. The Rezoning Alternative and Midblock Bulk Alternative would expand housing opportunities in an area of the City where there is a strong demand for income-restricted and market-rate housing.

Through the ULURP process, the City Planning Commission and City Council will work to approve a set of income level requirements for the affordable DUs created through MIH on the Project Sites, which would mandate that a provision of at least 20 to 30 percent of new residential floor area in the Project Sites be set aside as permanently affordable to achieve the maximum permitted floor area under the rezoning. ULURP will determine which MIH option(s) would be established for the Proposed Project under the Rezoning Alternative and Midblock Bulk Alternative. The New York City Department of Housing Preservation and Development (HPD), as a supporting and regulatory agency, would at a later date establish levels of affordability within the applicable MIH option for Project Sites in coordination with the PACT Partner and NYCHA.

Under the Rezoning Alternative and Midblock Bulk Alternative, the incremental change in uses for the Project Sites would provide an increment of 3,454 mixed-income DUs, plus 28,784 gsf of local retail, 17,580 gsf of supermarket, 87,223 gsf of community facility neighborhood center, 7,685 gsf of daycare, and 13,785 gsf of medical office space. One additional parking space will also be provided at the Fulton Houses Project Site for a total of 96 parking spaces on this site.

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<sup>25</sup> It is City policy to apply MIH Area designation to all rezonings that result in a substantial increase in permitted residential density.

<sup>26</sup> The intent of the MIH program is to provide assurance that new residential development would address the needs of residents at lower income levels even in the event that local housing market conditions change.

The income-restricted housing created through MIH is expected to help maintain a more diverse demographic composition within the study area and further expand housing opportunities in an area where a strong demand for housing including both market-rate and affordable housing exists. The affordability requirements for the proposed income-restricted DUs in the mixed-income buildings would be defined and ensured through MIH and regulatory agreements between NYCHA, HPD and the PACT Partner. In general, levels of affordability are based on percentages of the AMI for the region; 2024 AMI levels by family size for New York City are presented in **Table 05.02-11**.

**Table 05.02-11: 2024 New York City Area Median Income (AMI)**

Family Size	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	100% of AMI	130% of AMI
1	\$32,610	\$43,480	\$54,350	\$65,220	\$86,960	\$108,700	\$141,310
2	\$37,290	\$49,720	\$62,150	\$74,580	\$99,440	\$124,300	\$161,590
3	\$41,940	\$55,920	\$69,900	\$83,880	\$111,840	\$139,800	\$181,740
4	\$46,590	\$62,120	\$77,650	\$93,180	\$124,240	\$155,300	\$201,890

Source: HPD, <https://www1.nyc.gov/site/hpd/services-and-information/area-median-income.page>

Given that MIH has a variety of possible income tiers for affordable housing, this analysis assumes the MIH Option (either Option 1, 2 or 3) that would introduce the highest average household income levels pursuant to *CTM* guidance. Based on this assumption, MIH Option 3 would be mapped and is analyzed for conservative purposes, as MIH Option 3 would introduce the highest average household income levels for the population as compared to MIH Options 1 or 2. Under MIH Option 3, approximately 20 percent of residential floor area would be set aside for affordable DUs, and affordable would refer to DUs set aside for families/residents earning an average of 40 percent of AMI. Based on this assumption, the preliminary indirect residential displacement analysis assumes that the Rezoning Alternative and Midblock Bulk Alternative would introduce 2,763 market-rate DUs, and 691 affordable DUs occupied by families earning an average of 40 percent of AMI. Assuming that the affordable DUs at the Project Sites would be targeted at households earning on average 40 percent of the AMI under MIH Option 3, the Rezoning Alternative and Midblock Alternative would result in a higher weighted average household income for the action-generated population, as compared to affordable DUs under MIH Options 1 or 2.

To estimate the average household income of residents introduced by the Rezoning Alternative and Midblock Bulk Alternative, the incomes of future residents in both the market-rate and affordable DUs at Project Sites have been projected. Housing is considered affordable if it costs about one-third or less, as HUD defines families who pay more than 30 percent of their income for housing as rent-burdened. Assuming that market-rate tenants would pay 30 percent of their income for housing results in higher assumed household incomes for the Proposed Project's market-rate tenants than if a greater percentage of household income went towards rent.

As shown in **Table 05.02-11**, according to HPD and HUD, two-person families in the New York City region would be eligible for the income-restricted DUs in the mixed-income buildings in the Project Sites under MIH Option 3 if they were earning \$49,720 annually, which is 40 percent AMI in 2024. Since the study area's average household size is 1.68 persons per household, it is assumed that the average income of a family living in an income-restricted unit would be slightly less or roughly \$45,477.



Consistent with *CTM* guidance, the third quartile of market-rate unit rents is assumed to represent 30 percent of the introduced population's monthly income for the market-rate apartments under the Rezoning Alternative and Midblock Bulk Alternative, given that new construction tends to be at the higher end of market rents and that 30 percent is the standard threshold for what is considered a rent-burdened household (i.e., rent burdened is defined as paying more than 30 percent of gross monthly income on gross monthly rent). For the market-rate DUs, research into current market-rate asking rents in the study area (summarized in **Table 05.02-9**) and the assumption that incoming market-rate renters would be spending approximately 30 percent of their household income on rent have been used to estimate the expected income level of future market-rate tenants.

Although the actual unit mix for the new residential development under the Rezoning Alternative and Midblock Bulk Alternative is not yet known, **Table 05.02-12** provides the unit mix for the new market-rate DUs on the Project Sites based on the existing apartment mix of studios, one-, two- and three-bedrooms or more in the study area according to 2018-2022 Five Year ACS data. As shown in **Table 05.02-12**, under the Rezoning Alternative and Midblock Bulk Alternative the market-rate DUs are expected to include studios, one-bedrooms, two-bedrooms, and three-bedrooms or larger. Specifically, approximately 27 percent would be studios, 45 percent would be one-bedrooms, 21 percent would be two bedrooms, and seven percent would be three-bedrooms or larger. This unit mix is used to approximate rents for the action-generated market-rate DUs under the Rezoning Alternative and Midblock Bulk Alternative.

**Table 05.02-12: Market-Rate DUs by Number of Bedrooms for With-Action under the Rezoning Alternative and Midblock Bulk Alternative**

# of Bedrooms	Percent	Market DUs	Monthly Rent Assumption
Studio	27.1%	746	\$4,500
1-Bedroom	45.2%	1,249	\$6,000
2-Bedroom	20.6%	569	\$9,196
3-Bedroom or More	7.2%	199	\$13,125
<b>Total Market DUs Proposed</b>	<b>100%</b>	<b>2,763</b>	<b>\$6,750</b>

**Source:** Distribution of market-rate units by number of bedrooms is based on the distribution of number of bedrooms in rental residential units within the ½-mile study area, sourced from 2018-2022 ACS Five-Year Estimates. Monthly rent assumptions are based on 3<sup>rd</sup> quartile rent estimates for the ½-mile study area obtained from 201 apartment listings in September/November 2024.

**Table 05.02-13** shows the calculation of the weighted average household income for the With-Action market-rate renters. The market-rate household income levels are based on the third quartile rent estimates for the study area (refer to **Table 05.02-9**), and the assumption that households would spend 30 percent of their gross monthly income on rent. The estimated annual household incomes were multiplied by the number of DUs to determine the aggregate income for all the market DUs. Finally, this aggregate was divided by the total number of market-rate DUs to determine the average household income of the residents of the market-rate DUs.

As shown in **Table 05.02-13**, the estimated average household income of the market-rate residents is \$270,660. Given that the average household income for the study area is \$213,864, market-rate DUs would not be affordable to the average household in the study area. Under MIH Option 3, the income-restricted DUs would be affordable to households with incomes averaging 40 percent AMI, and the average household income of the affordable DUs would be \$45,477. As such, the overall estimated average income of the market-rate and affordable DUs on site would be

approximately \$225,608 (see **Table 05.02-14**), which is higher than the average household income of the existing study area population (see **Table 05.02-4**).

Although the Proposed Project under the Rezoning Alternative and Midblock Bulk Alternative would introduce income-restricted housing and is expected to expand housing options available to a range of household income levels in the study area, given the potential difference between the study area's existing average household income and that of the action-generated population, the Proposed Project under this alternative is expected to introduce new residents that would have average household incomes that are expected to exceed the average incomes of the ½-mile study area population. According to *CTM* guidance, Step 2 of the preliminary assessment is warranted.

**Table 05.02-13: Weighted Average Income of Market-Rate Renters under the Rezoning Alternative and Midblock Bulk Alternative**

# of Bedrooms	Monthly Rent	Est. Gross Monthly Income	Est. Gross Yearly Income	Market DUs	Aggregated Income by # of Bedrooms (Yearly income * DUs)
Studios	\$4,500	\$15,000	\$180,000	746	134,281,800
1-Bedroom	\$6,000	\$20,000	\$240,000	1,249	299,730,240
2-Bedroom	\$9,196	\$30,650	\$367,850	569	209,372,130
3-Bedroom or <u>More</u>	\$13,125	\$43,750	\$525,000	199	104,441,400
Total Market DUs				2,763	747,825,570
<b>Est. Weighted Average Income of Market-Rate DUs (Aggregate Income/Total Market-Rate DUs)</b>				<b>\$270,660*</b>	

**Notes:**

Monthly income was estimated using the assumption that renters spend 30 percent of their gross monthly income on rent, which is conservative as it would result in a higher assumed income for the market-rate tenants under the Rezoning Alternative and Midblock Bulk Alternative.

\* Estimated weighted average income of market-rate DUs rounded to the nearest tenth.

**Source:** Monthly rent assumptions are based on 3<sup>rd</sup> Quartile rent estimates for the ½-mile study area obtained from 201 apartment listings from September/November 2024. Distribution of market DUs by number of bedrooms based on the distribution of bedrooms in rental DUs within the ½-mile study area, sourced from 2018-2022 ACS Five-Year Estimates.

**Table 05.02-14: Weighted Average Household Income of the Total Population (including market-rate and affordable) under the Rezoning Alternative and Midblock Bulk Alternative**

	Estimated Yearly Income	DUs	Aggregate Income (Income * DUs)
Market-Rate DUs	\$270,660	2,763	747,825,570
Affordable DUs	\$ 45,477	691	31,424,607
Total DUs		3,454	779,250,170
<b>Weighted Average Income of the Rezoning Alternative and Midblock Bulk Alternative Population (Aggregate Income/Total DUs)</b>		<b>\$225,608</b>	

**Note:**

Household income for the affordable DUs is based on 40 percent of AMI for the average household size of 1.68 from 2020 Census for Manhattan CD 4.

**Source:** HUD

***Step 2: Determine if the project's increase in population is large enough relative to the size of the population expected to reside in the study area without the project affecting real estate market conditions in the study area.***

Based on *Step 1, Step 2* of the preliminary assessment is warranted for the Rezoning Alternative and Midblock Bulk Alternative. According to CTM analysis thresholds, if the population increase would be greater than five percent in the study area, the incremental population may be large enough to affect real estate market conditions, and *Step 3* of the preliminary assessment is warranted. If the population increase is expected to be more than 10 percent in the study area, a detailed analysis is warranted.

In accordance with CTM guidance provided in Chapter 5 Section 320, the existing population is estimated based on the most recent decennial census (2020 Census) and accounts for the net change of completed DOB construction projects (including new buildings, demolitions, and major alterations), which were completed between April 1, 2020, and December 31, 2023, in the ½-mile study area. The estimated residential population is calculated using the average household size (1.68 persons per household) and accounts for the study area's vacancy rate as of the 2020 Census (5.95 percent). As shown in **Table 05.02-15**, the socioeconomic study area is estimated to have a residential population of 86,487.

**Table 05.02-15: ½-Mile Study Area Residential Population**

	2020 Census		Completed Projects between 4/1/2020 and 12/31/2023			Estimated 2023 Population
	DUs	Residents	Net New DUs	Estimated Occupied DUs	Estimated New Population	
Study Area	50,699	81,607	3,089	2,905	4,880	86,487

**Source:** US Census Bureau, 2020 Census and DCP Housing Database: Project-Level Files for the 4<sup>th</sup> quarter of 2023, as of 4/2024

As described above, no new DUs would be introduced to the Project Sites in the absence of the Proposed Project. The larger socioeconomic study area would continue to experience residential growth in the absence of the Proposed Project. As shown in **Table 05.02-10**, known No-Action developments (including new buildings, demolitions, and major alterations), including projects under construction, and active DOB filings. Assuming an average household size of 1.68 and a vacancy rate of 5.95 percent, these planned developments would add an estimated 3,187 residents to the ½-mile study area in the No-Action Alternative. The Western Rail Yards Modifications project (which assumes the scenario including a gaming facility and hotel resort complex would be built) and the associated projected developments and residential conversions are also anticipated as a result of the Midtown South Mixed-Use Plan Rezoning<sup>27</sup> and expected to introduce a net increase of 4,650 DUs and 7,842 residents. Combined, these No-Action developments as well as the Western Rail Yards Modifications project and the Midtown South Mixed-Use Plan Rezoning are anticipated to increase the residential population of the ½-mile study area to 97,516 (12.7 percent increase).

Under the Rezoning Alternative and Midblock Bulk Alternative, the Proposed Project would result in the incremental development of up to 3,454 additional DUs, including both market-rate and affordable DUs, approximately 28,784 gsf of incremental local retail uses, approximately 17,580 gsf of incremental supermarket uses, and approximately 175,852 gsf of community facility uses.

<sup>27</sup> The No-Action future residential population only accounts for the portion of the Midtown South Mixed-use Plan Rezoning area that falls within the ½-mile study area.

It is expected to generate approximately 5,803 incremental residents, as compared to the 2041 No-Action Alternative. As shown in **Table 05.02-16**, this represents slightly less than six percent increase over the No-Action Alternative residential population. Per *CTM* guidance, if the population increase is expected to be greater than five percent within the study area, *Step 3* of the preliminary assessment is warranted for the Rezoning Alternative and Midblock Bulk Alternative.

**Table 05.02-16: 2041 No-Action Alternative and Rezoning Alternative and Midblock Bulk Alternative Residential Populations**

	No-Action Residential Population Increment	No-Action Alternative Population Residents	Rezoning Alternative/ Midblock Bulk Alternative Population Residents	Incremental Number Change	Percent Change
Study Area	11,029	97,516	103,319	+5,803	+5.95%

**Source:** US Census Bureau, 2020 Census, Western Rail Yard Modifications DEIS (CEQR No. 24DCP091M), Midtown South Mixed-Use Plan (CEQR No. 24DCP094M) and DCP Housing Database: Project-Level Files for the 4<sup>th</sup> quarter of 2023, as of 4/2024

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

The study area has experienced a readily observable trend towards increasing housing prices. Housing costs have increased significantly throughout New York City since 1990, and in some neighborhoods rent growth has been particularly acute, especially areas that historically have been low-to middle-income areas. New York City has a housing shortage with growing demand at all household income levels, which is creating a housing affordability crisis. When supply fails to keep pace with demand, prices rise.

Chelsea, which comprises much of the study area, is a well-known, diverse, expansive Manhattan neighborhood that stretches from W. 30<sup>th</sup> to W. 14<sup>th</sup> Streets and the Hudson River to 6<sup>th</sup>/7<sup>th</sup> Avenues and is one of Manhattan's largest neighborhoods. It is well served by public transit with several subway and bus lines. The neighborhood is also known for its collection of art galleries concentrated between 10<sup>th</sup> and 11<sup>th</sup> Avenues from W. 16<sup>th</sup> to W. 28<sup>th</sup> Streets, the High Line, Chelsea Market (famous indoor market with offices on upper floors), museums, and a range of shopping, nightlife and restaurants/bars. Chelsea includes a diverse housing stock including recently developed luxury condominiums, cooperative housing, townhomes, public housing, older walkup and elevator residential apartment buildings.

Chelsea is also one of the more expensive areas in the city and in Manhattan with higher end rents exceeding \$5,000 per month. As shown in **Table 05.02-7**, the median gross rent has increased in the study area since 2010. In addition, as shown in **Table 05.02-8**, the average asking rents in the study area are already not affordable for low- and middle-income residents and range from \$4,872 in Midtown West to upwards of \$6,678 in Chelsea/Flatiron and have continued to increase over the past year. After accounting for inflation, based on Corcoran's Residential Market Reports from March & First Quarter of 2018 and July 2024, rents in Midtown West, Chelsea, and Greenwich/West Village neighborhoods have also increased significantly over the last five years by approximately 11 percent, 32 percent, and 18 percent, respectively.

Given that a goal of the Proposed Project is to leverage new market-rate housing to help finance new affordable DUs in the mixed-income buildings and provide financial support for maintaining the replacement Section 8 PBV DUs on the Project Sites, a mix of market-rate and affordable housing will be provided, with between 20 to 30 percent of the residential floor area introduced designated as affordable under MIH. The affordable DUs under the Rezoning Alternative and Midblock Bulk Alternative would be ensured through the zoning text amendment sought through the land use actions, making it a legal requirement of any development on the site, and legally binding documents between NYCHA and the PACT Partner, such as a regulatory agreement and 99-year ground lease (among others), which obligate the developer to maintain a certain portion of the newly constructed housing at certain rents/income levels as required by the New York City Zoning Resolution (ZR) and the rules and regulations of HPD. Based on MIH, the affordable or income restricted DUs are expected to be targeted to households with income levels averaging 40 to up to 80 percent of AMI, which would introduce affordable DUs in the area that would be affordable to a greater range of households, including low-and moderate-income residents, as compared to the future without the Proposed Project. This is expected to help slow the existing trends of increasing rents by introducing new housing and maintaining a more diverse mix of incomes surrounding the Project Sites as compared to the No-Action Alternative.

As noted above, the Rezoning Alternative and Midblock Bulk Alternative would involve zoning map changes and the Project Sites would be designated an MIH area, which would set mandatory income-restricted housing requirements pursuant to the MIH program and require a share of new housing (20 to 30 percent depending on the MIH Option selected by the City Council<sup>28</sup>) be set aside as permanently income-restricted. The MIH Option would be enacted via approval by the CPC and City Council as part of the other related land use actions necessary for the Rezoning Alternative and Midblock Bulk Alternative, requiring the production of permanently income-restricted housing as a condition of any future residential development on the Project Sites and would help preserve income-restricted housing in the surrounding area. There would be no expiration to the affordability requirements of DUs created through the MIH program, making them a long-term stable reservoir of income-restricted housing in the surrounding area, a key policy to meet the goals outlined in the city's *Housing Our Neighbors: A Blueprint for Housing and Homelessness*.

The Proposed Project would expand housing opportunities in an area of the city where there is a strong demand for income-restricted and market-rate housing exists. Under the Rezoning Alternative and Midblock Bulk Alternative, the MIH program would provide assurance that new residential development would address the needs of residents at lower income levels even in the event that local housing market conditions change. The Rezoning Alternative and Midblock Bulk Alternative is not expected to substantively affect real estate market conditions and would not result in a significant adverse socioeconomic impact in the area of indirect residential displacement. As described in *Step 1*, under the Rezoning Alternative and Midblock Bulk Alternative, the Proposed Project would introduce mixed-income DUs housing a population who would have higher average household incomes than the study area's existing households. However, there is already an existing trend toward higher rents, with rent levels already exceeding

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<sup>28</sup> For conservative analysis purposes, the analysis assumes the MIH Option (either 1, 2 or 3) that would introduce highest household income levels. Based on this assumption, the analysis applies MIH Option 3, which requires 20 percent of residential floor area be income-restricted and affordable to households earning on average 40 percent AMI.

amounts that are affordable to the average household (see **Tables 05.02-8 and 05.02-9**). Based on 2018-2022 Five Year ACS data, the mean annual household income within the socioeconomic study area is approximately \$213,864. According to Corcoran's July 2024 *Manhattan Rental Market Corcoran Report*, the average rental rate for apartments in Midtown West, Chelsea/Flatiron, and Greenwich Village/West Village ranged from a low of \$5,299 in Midtown West to upwards of \$6,892 in Chelsea/Flatiron. Assuming that market-rate tenants pay roughly 30 percent of their income for housing, households would need to earn between \$221,960 to upwards of \$275,680, which exceeds the mean household income within the study area (see **Table 05.02-8**). Moreover, based on apartment listings from September and November 2024, the average asking rent for apartments in the study area is estimated to be \$6,750 (see **Table 05.02-9**). Assuming that market-rate tenants pay roughly 30 percent of their income for housing, households would need to earn approximately \$270,000, which exceeds the mean household income within the study area.

Step 1 of the preliminary assessment determined that the expected average incomes of the new project-generated population under the Rezoning Alternative and Midblock Bulk Alternative could exceed the average incomes of the study area population, and Step 2 of the analysis determined that the incremental population associated with this alternative would be large enough to warrant further assessment. Step 3 of the preliminary assessment demonstrated that the study area has already experienced a readily observable trend toward increasing housing prices, and the Proposed Project under the Rezoning Alternative and Midblock Bulk Alternative, which would introduce mixed-income market-rate and affordable DUs, would maintain a more diverse mix of incomes as compared to the future without the Proposed Project.

### **Alternative 3 – Non-Rezoning Alternative**

#### **Temporary Residential Relocations**

Similar to the Rezoning and Midblock Bulk Alternatives, all 2,056 existing NYCHA DUs at the Project Sites would be replaced in phases with new Section 8 PBV DUs in the Non-Rezoning Alternative. All existing NYCHA residents at the Project Sites will automatically qualify for the new Section 8 PBV housing at the Project Sites and will be offered a new PACT tenant lease without the need to be re-screened. The Section 8 PBV DUs under the PACT program will preserve permanent affordability and preserve residents' rights and protection. Therefore, existing NYCHA residents will not be directly displaced from the Project Sites, and the Proposed Project will not result in any direct residential displacement.

The Proposed Project's staged demolition and replacement as well as building construction timeline will permit the majority of FEC residents to remain at the Project Sites until the replacement Section 8 PBV buildings are ready for occupancy. Under Rezoning, Midblock Bulk, and the Non-Rezoning Alternatives, project construction staging is designed so that 94 percent of residents (3,917 residents) would not need to be relocated during construction of the new PBV DUs and would be able to move directly into their new DUs.

Although project construction staging under the Non-Rezoning Alternative is designed so that a majority of FEC residents would only move when the new Section 8 PBV buildings are complete and would not need to relocate from the Project Sites, two of the 18 existing buildings at the Project

Sites will need to be vacated and demolished, prior to the completion of the Section 8 PBV replacement buildings. The residents of these two buildings would be temporarily relocated from the Project Sites, while the first Section 8 PBV replacement buildings at the two sites are under construction.

The two affected buildings include the 36-DU building on the Fulton Houses Project Site at 401-419 W. 19th Street (existing Fulton 11 building) and the 96-DU Chelsea Addition building on the Elliott-Chelsea Houses Project Site at 436 W. 27th Drive. As there are currently several uninhabited DUs in these two residential buildings, there are currently approximately 120 households (an estimated 224 residents or 6 percent of FEC residents) residing in these two buildings, which would need to be temporarily relocated from the Project Sites, while the initial Section 8 PBV buildings are under construction. The first two Section 8 PBV replacement buildings (one each on the Fulton Houses Project Site and the Elliott-Chelsea Houses Project Site) are currently anticipated to be constructed and ready for occupancy by the second half of 2028. These new buildings will accommodate all 120 affected households (an estimated 224 residents), allowing these temporarily relocated households to move back onto the Project Sites within approximately 38 months from when construction begins.

All residents requiring temporary relocation to other housing off site would be accommodated to ensure continuity of habitation as protected by the URA, which will be overseen by HUD. The residents of these 120 households that are temporarily moved will sign a temporary relocation agreement that guarantees their right to return to the Project Sites once their new home is complete and ensure tenants do not bear any of the costs associated with packing or moving. Temporary Relocation Plans for the approximately 120 affected households will adhere to requirements of applicable statutes and regulations, including but not limited to the URA and implementing regulations at 49 CFR 24, Notice H 2016-17; PIH 2016-17, as amended, and the corresponding HUD Notice H-2019-09 PIH 2019-2023 (HA) REV-4 (September 5, 2019) as may be further amended from time to time (RAD Fair Housing, Civil Rights, and Relocation Notice), HUD Notice PIH-2024-40 (HA), Demolition and/or Disposition of Public Housing Property, Eligibility for Tenant-Protection Vouchers, and Associated Requirements, (December 26, 2024) (Section 18), Section 18 of the Housing Act of 1937, as amended and implementing regulation, 24 CFR part 970 and all applicable State and local regulations. NYCHA and the PACT Partner will submit the Temporary Relocation Plan to HUD for their review and approval prior to construction of the Proposed Project.

As the Proposed Project involves the use of Federal funds, the 120 affected households are afforded protections under URA to tenants temporarily relocated from their home in addition to the preservation of social services, unit affordability, and resident rights afforded to residents through the PACT program. All temporarily relocated residents would be offered advisory and financial assistance to relocate temporarily. The advisory services will include referrals to comparable and suitable replacement homes, inspection of replacement housing to ensure that it meets standards, help in preparing claim forms for relocation payments and other assistance to minimize the impact of the move. Additionally, the temporarily relocated residents would be provided payment for

moving expenses<sup>29</sup> and replacement housing assistance. Residents will be given at least 90 days advance written notice of (1) at least one “comparable replacement home” that is available to occupy and (2) the earliest date by which they must relocate.

In accordance with URA, the comparable replacement home must be decent, safe and sanitary. It must be functionally equivalent to or better than existing housing. It also must be affordable as well as available to rent. In addition, it must be reasonably accessible to the tenant’s place of employment and generally well located with respect to public and commercial facilities, such as schools and shopping as the Project Sites.

### **Temporary Community Facility Relocations**

Similar to the Rezoning and Midblock Bulk Alternatives, under the Non-Rezoning Alternative, approximately 42,225 gsf of community facility space would be temporarily relocated during initial construction of the Proposed Project.

The Proposed Project’s staged demolition and replacement as well as building construction timeline will permit most FEC community facility spaces to remain in existing locations on the Project Sites until the replacement community facility spaces are ready for occupancy. Under the Non-Rezoning Alternative, like both the Rezoning and Midblock Bulk Alternatives, the approximately 14,634-gsf Fulton Community Center in the existing Fulton 7 building at 119 9<sup>th</sup> Avenue would remain in place until its replacement space is completed in the new Fulton 1 building expected in the second quarter of 2028. At this time, its adult services and art gallery would move directly from the existing space into the new permanent space in Fulton 1 building, requiring no temporary relocations at any point to this community facility. Additionally, under the Rezoning, Midblock Bulk, and the Non-Rezoning Alternatives, the approximately 10,300 gsf Children’s Center at 459 W. 26th Street on the Elliott-Chelsea Project Site would remain in place until its replacement space is completed in the new Elliott-Chelsea 1 building expected in the third quarter of 2028. At this time, its daycare and early childhood education facilities would move directly from the existing space into the new permanent space in Elliott-Chelsea 1 building, requiring no temporary relocations at any point to this community facility.

However, although project construction staging under the Non-Rezoning Alternative is designed so that most FEC community facility spaces would only move when the new buildings are complete and would not need to relocate from the Project Sites, the existing approximately 42,225 gsf Elliott Center currently located at 441 West 26th Street would need to be vacated and demolished prior to the completion of the replacement building. As this existing building is anticipated to be demolished in the third quarter of 2025 and the new permanent facility in Elliott-Chelsea 1 building is not expected to open until quarter three of 2028, the Elliott Center would need to be temporarily relocated for approximately 38 months while the new Elliott-Chelsea 1 building is under construction.

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<sup>29</sup> The relocation payment to cover the reasonable cost of the move including transportation, packing, moving and unpacking of household goods, and disconnecting and reconnecting household appliances and other personal property (e.g. telephone, and cable TV).



The arts, early childhood education, youth development and education, adult services, community building, and mental health service programming provided by the Elliott Center would be temporarily relocated to other off-site spaces during this time period pursuant to an agreement executed between Hudson Guild and the PACT Partner. There would be continuity of services through the URA which is overseen by HUD, however, some services of the Elliott Center may be affected temporarily, as acceptable to Hudson Guild. The PACT Partner is committed to the temporary relocation of the Elliott Center and its associated employees as well as ensuring that the Elliott Center and associated workers return to the Project Site once their new spaces are complete. The Elliott Center would be offered advisory and financial assistance to temporarily relocate. Relocation Plans for the Elliott Center would adhere to requirements of applicable statutes and regulations.

### **Indirect Residential Displacement**

In accordance with *CTM*, the following provides the step-by-step guide for a preliminary assessment of indirect residential displacement for the Non-Rezoning Alternative.

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

The Non-Rezoning Alternative would also provide the opportunity for additional housing and promote the development of affordable housing in the Project Sites, although the total number of DUs as compared to the Rezoning and Midblock Bulk Alternatives would be less. Like the Rezoning and Midblock Bulk Alternatives, this alternative would serve to support the replacement of existing NYCHA DUs with Section 8 PBV DUs, as well as increase the supply of affordable housing on the Project Sites serving to maintain a broader demographic in the study area that has experienced increasing incomes and rents over time. The additional DUs would provide added supply to meet increasing housing demands in Chelsea and in New York City as a whole, although there would be fewer DUs (47 percent less) than under the Rezoning or Midblock Bulk Alternatives.

Under the Non-Rezoning Alternative, the incremental change in uses for the entire Project Sites would include 1,783 mixed-income building DUs (consisting of up to 536 affordable housing DUs in the mixed-income buildings [up to 30 percent of residential floor area], with the remainder, up to 1,247 DUs [up to 70 percent of residential floor area] as market-rate DUs). Additionally, 21,675 gsf of new local retail and 7,400 gsf of supermarket space and 132,549 gsf of community facility space (including community facility/neighborhood center, daycare, and medical office related uses) would be introduced to the Project Sites as compared to the No-Action Alternative.

Given the range of possible income tiers for the affordable housing, as well as to be consistent with the analysis provided for the Rezoning and Midblock Bulk Alternatives, for conservative analysis purposes, the following analysis considers a development proposal that would introduce approximately 20 percent of residential floor area would be set aside for affordable DUs, and affordable would refer to DUs set aside for families/residents earning an average of 40 percent of AMI. Based on this assumption, the preliminary indirect residential displacement analysis assumes that the Non-Rezoning Alternative would introduce 1,426 market-rate DUs, and 357 affordable

DUs occupied by families earning an average of 40 percent of AMI. The affordability requirements under the Non-Rezoning Alternative for the proposed income-restricted DUs in the mixed-income buildings would be defined and ensured through regulatory agreements between NYCHA and the PACT Partner and set forth in the 99-year ground lease of the Project Sites.

Although the actual unit mix for the new residential development under the Non-Rezoning Alternative is not yet known, **Table 05.02-17** provides the unit mix for the new market-rate DUs on the Project Sites based on the existing apartment mix of studios, one-, two- and three-bedrooms or more in the study area. As shown in **Table 05.02-17**, under the Non-Rezoning Alternative the market-rate DUs are expected to include studios, one-bedrooms, two-bedrooms, and three-bedrooms or larger. Specifically, approximately 27 percent would be studios, 45 percent would be one-bedrooms, 21 percent would be two bedrooms, and seven percent would be three-bedrooms or larger. This unit mix is used to approximate rents for the project-generated market-rate DUs under the Non-Rezoning Alternative.

**Table 05.02-17: Market-Rate DUs by Number of Bedrooms for With-Action under the Non-Rezoning Alternative**

# of Bedrooms	Percent	Market DUs	Monthly Rent Assumption
Studio	27.1%	385	\$4,500
1-Bedroom	45.2%	642	\$6,000
2-Bedroom	20.6%	299	\$9,196
3-Bedroom or More	7.2%	100	\$13,125
<b>Total Market DUs Proposed</b>	<b>100%</b>	<b>1,426</b>	<b>\$6,750</b>

**Source:** Distribution of market-rate DUs by number of bedrooms is based on the distribution of number of bedrooms in rental DUs within the ½-mile study area, sourced from 2018-2022 ACS Five-Year Estimates. Monthly rent assumptions are based on 3<sup>rd</sup> quartile rent estimates for the ½-mile study area obtained from 201 apartment listings in September/November 2024.

**Table 05.02-18** shows the calculation of the estimated weighted average household income of the project-generated market-rate renters under the Non-Rezoning Alternative, which are based on the third quartile rent estimates for the study area and the assumption that households would spend 30 percent of their gross monthly income on rent. As shown in **Table 05.02-18**, the estimated average household income of the market-rate residents under the Non-Rezoning Alternative is \$270,590. Given that the average household income for the study area is \$213,864, market-rate DUs under the Non-Rezoning Alternative would not be affordable to the average household in the study area.

**Table 05.02-18: Weighted Average Income of Project-Generated Market-Rate Renters for the Non-Rezoning Alternative**

# of Bedrooms	Monthly Rent	Est. Gross Monthly Income	Est. Gross Yearly Income	Market Rate DUs	Aggregated Income by # of Bedrooms (Yearly income * DUs)
Studios	\$4,500	\$15,000	\$180,000	385	69,300,000
1-Bedroom	\$6000	\$20,000	\$240,000	642	154,080,000
2-Bedroom	\$9,196	\$30,654	\$367,850	299	109,987,150
3-Bedroom or <u>More</u>	\$13,125	\$43,750	\$525,000	100	52,500,000
Total Market-Rate DUs				1,426	385,867,150
<b>Est. Weighted Average Income of Market-Rate DUs* (Aggregate Income/Total Market-Rate DUs)</b>				<b>\$270,590</b>	

**Notes:**

Monthly income was estimated using the assumption that renters would spend 30 percent of their gross monthly income on rent, which is conservative as it would result in a higher assumed household income for market-rate tenants under the Non-Rezoning Alternative.

\*Estimated weighted average income of market-rate DUs rounded to the nearest tenth.

**Source:** Monthly rent assumptions are based on 3<sup>rd</sup> Quartile rent estimates for the ½-mile study area obtained from 201 apartment listings from September/November 2024. Distribution of market-rate DUs by number of bedrooms is based on the distribution of bedrooms in rental DUs within the ½-mile study area, sourced from 2018-2022 ACS Five-Year Estimates.

Consistent with the analysis provided for the Rezoning and Midblock Bulk Alternatives, the incremental income-restricted DUs would be affordable to households with incomes at 40 percent AMI, and the average household income of the affordable DUs would be \$45,477, which would be well below the average household income for the study area (\$213,864, see **Table 05.02-4**). The overall average income of the market-rate and affordable DUs would be \$225,520 under the Non-Rezoning Alternative (see **Table 05.02-19**), which would be higher than the average household income of the existing study area population. According to *CTM* guidance, Step 2 of the preliminary assessment is warranted.

**Table 05.02-19: Weighted Average Household Income of Total Project-Generated Population (including market-rate and affordable) for the Non-Rezoning Alternative**

	Estimated Yearly Income	DUs	Aggregate Income (Income * DUs)
Market-Rate DUs	\$270,590	1,426	385,867,000
Affordable DUs	\$45,477	357	16,235,300
Total DUs		1,783	402,120,300
<b>Estimated Weighted Average Income of the Non-Rezoning Alternative Population (Aggregate Income/Total DUs)</b>			<b>\$225,520</b>

**Note:**

Household income for the affordable DUs is based on 40 percent of AMI for the average household size of 1.68 source from 2020 Census for Manhattan CD 4.

**Source:** HUD

**Step 2: Determine if the project's increase in population is large enough relative to the size of the population expected to reside in the study area without the project affecting real estate market conditions in the study area.**

As noted above, known No-Action developments (including new buildings, demolitions, and major alterations), including projects under construction, and active DOB filings. Assuming an average household size of 1.68 and a vacancy rate of 5.95 percent, these planned developments would add an estimated 3,187 residents to the ½-mile study area. Additionally, the Western Rail

Yards Modifications project and the associated projected developments and residential conversions anticipated as a result of the Midtown South Mixed-Use Plan Rezoning<sup>30</sup> are anticipated to introduce a net increase of 4,650 DUs and 7,842 residents. Combined, these No-Action developments as well as the Western Rail Yards Modifications project and the Midtown South Mixed-Use Plan Rezoning are anticipated to increase the residential population to 97,516 (12.7 percent increase). The Non-Rezoning Alternative would result in the incremental development of up to 1,783 additional DUs, including both market-rate and affordable DUs, as well as approximately 21,675 gsf of incremental local retail uses, 7,400 gsf of incremental supermarket use, and approximately 132,549 gsf of incremental community facility uses (including community facility/neighborhood center, daycare, and medical office related uses). The Non-Rezoning Alternative is expected to generate approximately 2,995 incremental residents, as compared to the 2041 No-Action Alternative.

As shown in **Table 05.02-20**, this represents an approximately 3.1 percent increase over the No-Action Alternative residential population. Per *CTM* guidance, if the population increase is expected to be less than five percent in the study area, further analysis is not warranted as this change would not be expected to adversely affect real estate market conditions. Accordingly, the Proposed Project under the Non-Rezoning Alternative, is not expected to substantively affect or alter real estate market conditions and would not result in a significant adverse socioeconomic impact in the area of indirect residential displacement.

**Table 05.02-20: 2041 No-Action Alternative and Non-Rezoning Alternative Residential Populations**

	No-Action Residential Population Increment	No-Action Alternative Population Residents	Non-Rezoning Alternative Population Residents	Incremental Number Change	Percent Change
Study Area	11,029	97,516	100,511	+2,995	+3.07%

**Source:** US Census Bureau, 2020 Census, Western Rail Yard Modifications DEIS (CEQR No. 24DCP091M), Midtown South Mixed-Use Plan (CEQR No. 24DCP094M) and DCP Housing Database: Project-Level Files for the 4<sup>th</sup> quarter of 2023, as of 4/2024

<sup>30</sup> The No-Action future residential population only accounts for the portion of the Midtown South Mixed-use Plan Rezoning area that falls within the ½-mile study area.