

**A. INTRODUCTION**

This chapter considers the potential for the proposed project to result in significant adverse impacts to socioeconomic conditions in the study area. As stated in the 2014 *City Environmental Quality Review (CEQR) Technical Manual*, the socioeconomic character of an area includes its population, housing, and economic activities. Socioeconomic impacts may occur when a project directly or indirectly affects any of these elements.

As detailed in Chapter 1, “Project Description,” the proposed project would redevelop the northern portion of the Bronx Psychiatric Center (BPC) campus with a mix of commercial and medical office, bio-tech/research, hotel, accessory, college/trade school, community facility, and retail uses in new and renovated buildings as well as recreation and parking uses. Independent of the proposed project, the Bronx Children’s Psychiatric, Thompson, and Parker Buildings have been vacated and the uses relocated to new BPC facilities located at the southern portion of the campus. For the purposes of this Environmental Impact Statement (EIS), it is assumed that in the future without the proposed project (the “No-Action” condition), these existing buildings would remain vacant. The powerhouse, two metal shelters, and small storage building on the project site would also be vacated and decommissioned. The ball fields would remain as in the existing condition. The proposed project would be completed in two phases, with 2023 as the analysis year for Phase I completion, and 2028 as the year for Phase II full build-out, or “With-Action” condition.

In accordance with *CEQR Technical Manual* guidelines, this analysis considers whether development of the proposed project could result in significant adverse socioeconomic impacts due to: (1) direct displacement of residential population; (2) direct displacement of existing businesses; (3) indirect displacement of residential population (4) indirect displacement of businesses; and (5) adverse effects on a specific industry.

**PRINCIPAL CONCLUSIONS**

This analysis finds that the proposed project would not result in significant adverse socioeconomic impacts. The following summarizes the conclusions for each of the five CEQR areas of socioeconomic concern.

***DIRECT RESIDENTIAL DISPLACEMENT***

There are no residential units on the project site; therefore, the proposed project would not directly displace any residents and would not result in significant adverse socioeconomic impacts due to direct residential displacement.

***DIRECT BUSINESS DISPLACEMENT***

The proposed project would not directly displace any businesses. Independent of the proposed project, the Bronx Children’s Psychiatric, Thompson, and Parker Buildings have been vacated and the uses relocated to new BPC facilities located at the southern portion of the campus. Therefore,

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the proposed project would not result in significant adverse socioeconomic impacts due to direct business displacement.

### *INDIRECT RESIDENTIAL DISPLACEMENT*

A preliminary assessment finds that the proposed project would not result in significant adverse impacts due to indirect residential displacement. The proposed project would include “accessory uses.” For the purposes of the proposed project, “accessory use” shall mean accessory housing located within the proposed project and reserved for those working or studying within the Hutchinson Metro Center or the proposed project (and their families), including (i) students, faculty and staff (and their families) of any university, college or trade school within the proposed project or the Hutchinson Metro Center, (ii) professionals, researchers, scientists and/or employees (and their families) working for and at any medical biotechnical, healthcare or research and development institution within the proposed project or the Hutchinson Metro Center, and (iii) employees (and their families) working for any other industry reasonably approved by ESD that occupies a portion of the proposed project or the Hutchinson Metro Center. Therefore, the accessory uses would not directly influence the rental market. With respect to indirect influences of changing demographics, the average household income of the proposed project’s tenants is expected to be greater than the current average household income within the study area, but the overall size of the proposed project’s population would not be large enough to affect residential market conditions.

### *INDIRECT BUSINESS DISPLACEMENT*

A preliminary assessment finds that the proposed project would not result in significant adverse impacts due to indirect business displacement. The study area already has a well-established commercial office market, and therefore the proposed project would not be introducing new economic activities to the project site or to the study area that would alter existing economic patterns. The retail uses introduced by the proposed project would not be of an amount that would alter retail market trends within the study area. The retail added on the project site would be service-oriented and support the existing and future study area populations. In addition, the proposed hotel would not be considered substantial new development that is markedly different from existing uses, development, and activities within the neighborhood.

### *ADVERSE EFFECTS ON SPECIFIC INDUSTRIES*

The proposed project would not result in significant adverse impacts on specific industries. The proposed development would not significantly affect business conditions in any specific industry or any category of businesses, nor would it indirectly reduce employment or impair the economic viability of any specific industry or category of business.

## **B. METHODOLOGY**

### **BACKGROUND**

Although socioeconomic changes may not result in impacts under CEQR, 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. In other cases, these changes may be good for some groups but bad for others. The objective of the CEQR analysis is to disclose whether any changes created by the project would have a significant impact compared with what would happen in the No-Action condition.

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

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

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

#### **DETERMINING WHETHER A SOCIOECONOMIC ASSESSMENT IS APPROPRIATE**

According to the *CEQR Technical Manual*, a socioeconomic assessment should be conducted if a project may be reasonably expected to create socioeconomic changes in the area affected by the project that would not be expected to occur in the absence of the project. The following screening assessment considers threshold circumstances identified in the *CEQR Technical Manual* and enumerated below that can lead to socioeconomic changes warranting further assessment.

- 1. Direct Residential Displacement: Would the 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 site does not contain any residential uses. Therefore, the proposed project would not directly displace any residents on the project site, and an assessment of direct residential displacement is not warranted.

- 2. Direct Business Displacement: Would the project directly displace more than 100 employees? If so, assessments of direct business displacement and indirect business displacement are appropriate.***

The proposed project would not directly displace any businesses. Independent of the proposed project, the Bronx Children's Psychiatric, Thompson, and Parker Buildings, all of which are located on the project site, have been vacated. Uses within these buildings were relocated to new BPC facilities located at the southern portion of the campus. Therefore, the proposed project would not result in significant adverse socioeconomic impacts due to direct business displacement.

3. ***Direct Business Displacement: Would the project 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, an assessment of direct business displacement is warranted.***

As described above, the proposed project would not result in the direct displacement of any businesses on the project site.

4. ***Indirect Displacement due to Increased Rents: Would the project result in substantial new development that is markedly different from existing uses, development, and activities within the neighborhood? Residential development of 200 units or less or commercial development of 200,000 square feet or less would typically not result in significant socioeconomic impacts. For projects exceeding these thresholds, assessments of indirect residential displacement and indirect business displacement are appropriate.***

The proposed project would introduce residential development of more than 200 units and commercial development in excess of 200,000 square feet; therefore, an assessment of potential indirect residential and business displacement is warranted.

5. ***Indirect Business Displacement due to Retail Market Saturation: Would the project result in a total of 200,000 square feet or more of retail on a single development site or 200,000 square feet or more of region-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 introduce retail uses in excess of 200,000 square feet on the project site; therefore, an assessment of potential indirect business displacement due to retail market saturation is not warranted.

6. ***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.***

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

Based on the screening assessment presented above, the proposed project warrants a preliminary assessment of indirect residential and indirect business displacement due to increased rents.

## **ANALYSIS FORMAT**

Based on *CEQR Technical Manual* guidelines, the analyses of indirect residential and business displacement begin with a preliminary assessment. The objective of the preliminary assessment is to learn enough about the potential effects of the proposed project to either rule out the possibility of significant adverse impacts or determine that a more detailed analysis is required to fully determine the extent of the impacts. A detailed analysis, when required, is framed in the context of existing conditions and evaluations of the future without the proposed project, or No-Action condition, and the future with the proposed project, or With-Action condition, by the project build year. In conjunction with the land use task, specific development projects that occur in the area in the No-Action condition are identified, and the possible changes in socioeconomic conditions that

would result, such as potential increases in population, changes in the income characteristics of the study area, new residential developments, possible changes in rents or sales prices of residential units, new commercial or industrial uses, or changes in employment or retail sales. Those conditions are then compared to With-Action conditions to determine the potential for significant adverse impacts.

In this case, a preliminary assessment was sufficient to conclude that the proposed project would not result in any significant adverse socioeconomic impacts resulting from indirect residential or business displacement as a result of development of the project site.

### PROJECT SITE

The project site is a portion of the New York State Office of Mental Health (OMH) BPC campus located at 1500 Waters Place in the Morris Park section of the Bronx. The approximately 34-acre project site is generally bounded by Hutchinson Metro Center to the north, the Hutchinson River Parkway (HRP) to the east, the remaining portion of the BPC and Waters Place to the south, and Marconi Street to the west.

The project site contains three primary buildings: the 2-story, approximately 146,600-gsf Bronx Children's Psychiatric building; the 13-story, approximately 377,100-gsf John W. Thompson building; and the 6-story, approximately 330,000-gsf Betty Parker building. The project site also contains a steam generating power house, two metal shelters, and a small storage building. OMH has vacated the buildings on the project site and consolidated its services on the newly redeveloped 40-acre remaining southern portion of the BPC campus.

### STUDY AREA

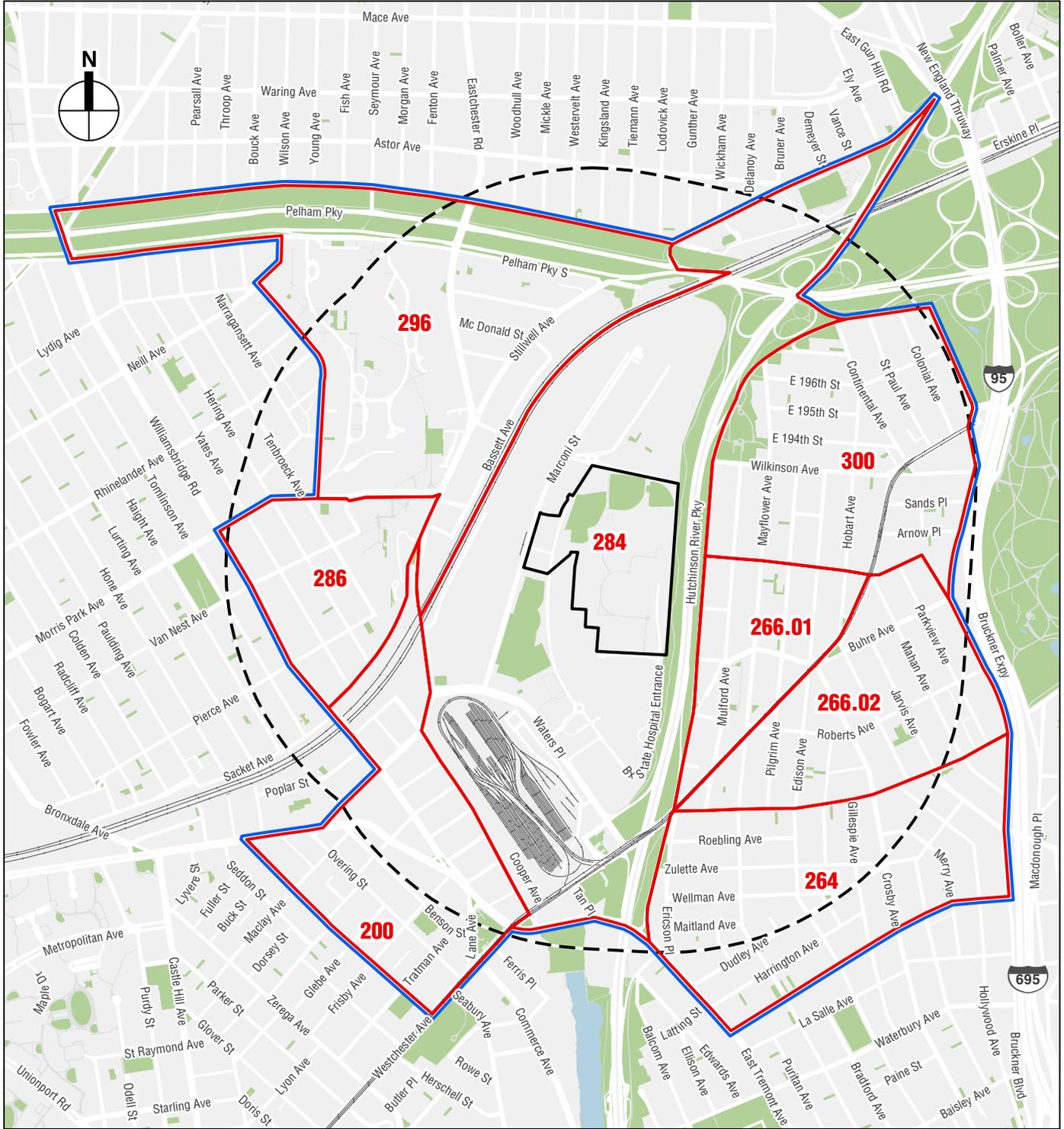
According to the *CEQR Technical Manual*, the socioeconomic study area typically reflects the land use study area, and should depend on project size and area characteristics. Also, according to the *CEQR Technical Manual*, a ½-mile study area is appropriate for projects that would increase the ¼-mile area population by more than 5 percent. As shown in Figure 2-1, a majority of the ¼-mile area surrounding the project site is comprised of the BPC campus; the only notable residential population is located east of the Hutchinson River Parkway. The proposed project's estimated 725 residents would represent more than 5 percent of the population within the ¼-mile area, warranting a larger study area to more fully assess the effects of the proposed project on residents and businesses. Therefore, the study area for this socioeconomic assessment includes the area within approximately ½ mile of the project site boundaries (**Figure 3-1**).

Because socioeconomic analyses depend on demographic data, it is appropriate to adjust the study area boundary to conform to the census tract delineation that most closely approximates the desired radius (in this case, a ½-mile radius surrounding the project site). The census tracts that constitute the "socioeconomic study area," or "study area," are shown on **Figure 3-1**. The adjusted study area captures an approximately ½-mile area surrounding the project site and includes the following eight census tracts: 200, 264, 266.01, 266.02, 284, 286, 296, and 300, all within Bronx Community District 11.

### DATA SOURCES

Information used in the analysis of indirect residential displacement was gathered from the U.S. Census Bureau's 2006–2010 and 2012–2016 American Community Survey (ACS) 5-year estimates. The New York City Department of City Planning's (DCP) Census FactFinder online mapping tool was utilized to determine the margin of error (MOE) of single-variable census data

Data source: NYC Dept. of City Planning MapPLUTO v18v1 and AKRF study area survey



-  Project Site
-  Study Area (1/2-mile boundary)
-  284 Census Tracts
-  Socioeconomic Study Area

Socioeconomic Study Area  
**Figure 3-1**

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presented for the study area.<sup>1</sup> Data were gathered on population, housing, and incomes. Area market-rate rents were researched using StreetEasy, a searchable online database. StreetEasy uses web data extraction to compile an aggregated list of residential property listings from most of New York City’s largest brokerage firms and hundreds of small-scale brokers.

To perform the indirect business displacement analysis, employment data were obtained from Environmental Systems Research Institute (“Esri”)—a private data provider. Esri is a tool used to gather geographically specific business and demographic data from a variety of public sources, including the U.S. Census Bureau. Land use information was based on the land use analysis in Chapter 2, “Land Use, Zoning, and Public Policy.”

The analysis is also supported by field visits to the study area conducted by AKRF staff in July 2017.

### **C. PRELIMINARY ASSESSMENT**

#### **INDIRECT RESIDENTIAL DISPLACEMENT**

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

Generally, an indirect residential displacement analysis is conducted only in cases in which the potential impact may be experienced by renters living in privately held units unprotected by rent control, rent stabilization, or other government regulations restricting rents, 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-protected units are not considered potentially vulnerable populations under CEQR. The proposed project would include “accessory uses” that would be dwelling units reserved for those working or studying within the Hutchinson Metro Center or the proposed project (and their families), as described above. Therefore, the proposed project would have limited direct influence on the market rate rents; the proposed project’s influence on residential market conditions would be limited to the effects created by potential changes to the demographic characteristics of the area’s residential population. As detailed below, Step 1 of the *CEQR Technical Manual’s* assessment compares the likely incomes of the project’s residential population to that of the study area, and finds that the project population would not alter the demographics of the study area in a manner that could lead to significant adverse impacts due to indirect residential displacement.

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

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<sup>1</sup> MOEs describe the precision of an estimate within a 90-percent confidence interval and provide an idea of how much variability (i.e., sampling error) is associated with the estimate. The larger the MOE relative to the size of the estimate, the greater potential for variability within the data. The MOE is partially dependent on the sample size, because larger sample sizes result in a greater amount of information that more closely approximates the population.

*EXISTING CONDITIONS*

As shown in **Table 3-1**, according to 2012–2016 ACS data, the average household income for the study area was \$69,233 and the median household income was \$54,879 (in 2016 dollars). These incomes were higher than the average and median household income in the Bronx as a whole (\$51,445 and \$35,302, respectively) and lower than those in New York City overall (\$88,437 and \$55,191, respectively).

**Table 3-1**  
**Annual Average and Median Household Income (2006–2010, 2012–2016 ACS)<sup>1,2</sup>**

Area	Average Household Income		Median Household Income	
	2006-2010	2012-2016	2006-2010	2012-2016
<b>Socioeconomic Study Area</b>	\$64,028	\$69,233	\$52,792	\$54,879
<b>Bronx</b>	\$52,113	\$51,445	\$37,731	\$35,302
<b>New York City</b>	\$85,779	\$88,437	\$55,373	\$55,191

**Notes:** <sup>1</sup> All data are presented in 2016 inflation-adjusted dollars.  
<sup>2</sup> The statistical reliability of the data included in this table has been vetted using DCP's NYC Population FactFinder and by following guidance provided by DCP.

**Sources:** U.S. Census Bureau, 2006-2010 and 2012–2016 ACS 5-year estimates.

**Table 3-2** presents median gross residential rents based on the U.S. Census Bureau's ACS data. These datasets do not provide specific rent information according to regulation status or unit size, but instead can paint a general picture about the rate at which housing costs are changing in a neighborhood.

**Table 3-2**  
**Median Gross Monthly Rent (2006–2010, 2012–2016 ACS)<sup>1,2</sup>**

Area	2006-2010 ACS	2012-2016 ACS
<b>Socioeconomic Study Area</b>	\$1,168	\$1,276
<b>Bronx</b>	\$1,016	\$1,098
<b>New York City</b>	\$1,179	\$1,294

**Notes:** <sup>1</sup> All data are presented in 2016 inflation-adjusted dollars.  
<sup>2</sup> The statistical reliability of the data included in this table has been vetted using DCP's NYC Population FactFinder and by following guidance provided by DCP.

**Sources:** U.S. Census Bureau, 2006-2010 and 2012–2016 ACS 5-year estimates.

Apart from indicating general trends, ACS data on median gross rents are of limited use because they fail to distinguish between units subject to market rents and those under some form of rent regulation. **Table 3-3** summarizes online listings for market-rate apartments in the study area.

**Table 3-3**  
**Monthly Market-Rate Rents in the Study Area**

Unit Type	Number of apartments listed <sup>1</sup>	Percent of apartments listed in the study area	Average Rent <sup>1</sup>
Studio	2	7	\$1,362
1BR	13	46	\$1,599
2BR	11	39	\$2,092
3BR+	2	7	\$2,225
<b>Total</b>	<b>28</b>	<b>100</b>	--
<b>Weighted Average<sup>3</sup></b>	--	--	<b>\$1,820</b>
<b>Notes:</b> <sup>1</sup> Represents the number of apartments listed and the average monthly rent based on market listings in July 2017 and August 2018. <sup>2</sup> Average household incomes were imputed using the HUD 30 percent guideline described above, and were rounded to the nearest whole number. <sup>3</sup> Weighted average based on proportion of listed units by number of bedrooms.			
<b>Source:</b> Street Easy, <a href="http://streeteasy.com/">http://streeteasy.com/</a> , accessed in July 2017 and August 2018.			

As shown in **Table 3-4**, approximately 26.0 percent of study area units are owner-occupied and 74.0 percent are renter-occupied. The renter-occupancy rate in the study area is lower than in the Bronx as a whole (80.9 percent) but higher than the renter-occupancy rate for New York City (68.0 percent).

**Table 3-4**  
**Percentage of Owner-Occupied Units and Renter-Occupied Units**  
**(2006–2010, 2012–2016 ACS)<sup>1</sup>**

Area	2006–2010 ACS		2012–2016 ACS	
	Owner Occupied	Renter Occupied	Owner Occupied	Renter Occupied
<b>Socioeconomic Study Area</b>	28.9%	71.1%	26.0%	74.0%
<b>Bronx</b>	20.7%	79.3%	19.1%	80.9%
<b>New York City</b>	33.0%	67.0%	32.0%	68.0%
<b>Note:</b> 1. The statistical reliability of study area data included in this table has been vetted using DCP's NYC Population FactFinder.				
<b>Sources:</b> U.S. Census Bureau, 2006-2010 and 2012-2016 ACS 5-year estimates.				

*THE FUTURE WITHOUT THE PROPOSED PROJECT*

*Project Site*

In the No-Action condition, no new population would be added to the project site by the 2023 analysis year or the 2028 analysis year.

*Study Area*

Within the study area, numerous background development projects are expected to be built by the 2023 analysis year for Phase I, which will include new residential units, commercial, retail, community, and other active uses within the study area. Overall, approximately 307 new residential units are planned to be built in the study area by the Phase I Build year (2023). No known additional residential units are planned to be built in the study area by the Phase II Build year (2028).

*THE FUTURE WITH THE PROPOSED PROJECT*

In the future with the proposed project, the project’s residential occupants would grow the study area population by an estimated 725 people, based on the 2012–2016 average household size for Bronx Community District 11 (2.9 persons per household). Of the 250 proposed residential units, 100 would be constructed in Phase I of the project and 150 would be constructed in Phase II. The proposed project’s dwelling units would not be available to the general public; rather, they would be reserved for those working or studying within the Hutchinson Metro Center or the proposed project (and their families). Residents would likely be medical professionals working in the medical office space, students attending the college or trade school, and/or researchers, scientists, and other office workers.

The incomes of the project’s potential tenants could vary considerably depending on occupation and whether or not they are a student. In order to estimate the average income of project residents, it is reasonable to assume that the proposed project’s units would be offered at the higher end of market rate rent levels for the area (though not substantially higher, or else tenants would be incentivized to live elsewhere), and that residents would pay 30 percent of their income towards rent, which is the U.S. Department of Housing and Urban Development (HUD) threshold for cost-burdened housing.<sup>2</sup>

The developer has identified the Equestrian at Pelham Parkway—located at 1680 Pelham Parkway South in the study area—as an apartment building with rents expected to be comparable to those of the proposed project. **Table 3-5** identifies current market-rate asking rents for units within the Equestrian at Pelham Parkway. Assuming that the incoming renters would be spending 30 percent of their income on rent, a household renting a unit that would be available as a result of the proposed project would have an income between approximately \$68,000 and \$100,000 depending on the unit type (see **Table 3-5**). Assuming that the mix of unit types would be similar to the current distribution within the study area, a household renting a unit that would be available as a result of the proposed project would have an estimated average income of approximately \$83,000.

**Table 3-5  
Estimated Income for the Proposed Accessory Dwelling Units**

Unit Type	Unit Size (sf)	Current Listed Monthly Rents <sup>1</sup>	Estimated Average Yearly Income <sup>2</sup>
1BR	500	\$1,700	\$68,000
1BR	550	\$1,875	\$75,000
2BR	715	\$2,350	\$94,000
2BR	850	\$2,500	\$100,000
<b>Notes:</b>	<sup>1</sup> Based on rental listings for the Equestrian at Pelham Parkway, obtained by the developer in November 2018. <sup>2</sup> Average household incomes were imputed using the HUD 30 percent guideline described above, and were rounded to the nearest whole number.		
<b>Source:</b>	Simone Development Companies, verified by AKRF based on listings found on Apartments.com in December 2018.		

<sup>2</sup> The proposed project’s accessory uses would be dwelling units reserved for those working or studying within the Hutchinson Metro Center or the proposed project (and their families). While some professionals eligible for the proposed project’s accessory uses may earn incomes that would allow them to allocate less than 30 percent of their income toward rent, other eligible populations—most notably students—may pay rent that exceeds 30 percent of their income. Therefore, in the aggregate, it is reasonable to assume that the project’s residential population pays approximately 30 percent of their income toward housing.

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As noted above, the proposed project would result in an increment of 250 accessory dwelling units, which would likely be offered at the higher end of current market-rate rents in the area. The average income of a household in one of the proposed units would be approximately \$83,000, which is greater than the study area’s current average household income of \$69,233 (see “Existing Conditions” above).

Based on the Step 1 analysis, the proposed project’s population would have incomes that are greater than the existing study area population, and that could be greater than the future study area population. Therefore, based on *CEQR Technical Manual* guidelines, Step 2 of the preliminary assessment should be conducted and is presented below.

**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 to affect real estate market conditions in the study area.**

According to 2012–2016 ACS data, the study area had a 2016 population of approximately 27,854 residents, which is a decline from the estimated population in 2006–2010 (see **Table 3-6**). In comparison, the populations of the Bronx and New York City increased over the same time period.

**Table 3-6**  
**Study Area Population Estimates and Projection<sup>1,2</sup>**

	2006–2010 ACS	2012–2016 ACS	Percent Change 2006–2010 to 2012–2016	2028 Population Projections in the Future No-Action Condition
<b>Socioeconomic Study Area</b>	28,908	27,854	↓ Decreased	28,744
<b>Bronx</b>	2,466,782	2,606,852	5.7	N/A
<b>New York City</b>	8,078,471	8,461,961	4.7	N/A

**Notes:**  
<sup>1</sup> Year 2028 population is based on No Build projects and an average household size of 2.9 persons per DU for Bronx Community District 11.  
<sup>2</sup> The statistical reliability of the data included in this table has been vetted using DCP’s NYC Population FactFinder and by following guidance provided by DCP. For the study area, only the directionality of change over time was statistically reliable. For the Bronx and New York City, the rate of change and the directionality of change were statistically reliable and therefore reported.  
**Sources:** U.S. Census Bureau 2006–2010 ACS and 2012–2016 ACS. Accessed through DCP’s NYC Population FactFinder in December 2018.

Within the study area by 2028, new residential developments with a total of 307 units would increase the residential population. Therefore, the residential population of the study area would increase by an estimated 890 residents to 28,744 in the No-Action condition by 2028. **Table 3-7** presents the total population projections in the future No-Action condition by adding the projected population from the no build projects to the 2012–2016 population estimates.

The proposed project would result in an increment of 250 units by the 2028 analysis year. With an average household size of 2.9 people per unit, the added population in the With-Action condition would be an estimated 725 people. **Table 3-7** shows the new population and its size relative to the population in the future without the proposed project.

**Table 3-7**  
**Proposed Project’s Contribution to Study Area Population**

	2028 Population Projections in Future No-Action Condition	Number of Incremental units in the With-Action Condition	Projected Population Change from With-Action Condition <sup>1</sup>	Percent Change from 2028 Future No-Action Condition
<b>Socioeconomic Study Area</b>	28,744	250	725	2.5
<b>Notes:</b>				
<sup>2</sup> Residential population estimate for the proposed project is based on the average household size for Bronx Community District 11 (2.9 persons per DU).				
<b>Source:</b> AKRF, Inc.				

By adding the 725-person increment to the 2028 study area population, the proposed project would increase the future 2028 population by approximately 2.5 percent. According to *CEQR Technical Manual* analysis thresholds, if the population increase is less than five percent in a study area, the incremental population would not be expected to affect real estate market conditions, and further analysis is not necessary. Given the relatively small incremental population introduced by the proposed project, and the fact that the proposed project’s accessory uses would have limited direct influence on area market rate rents, the proposed project would not have the potential to result in significant adverse impacts due to indirect residential displacement.

**INDIRECT BUSINESS DISPLACEMENT**

The preliminary assessment of indirect business displacement focuses on whether the proposed project could increase commercial property values and rents within the ½-mile study area for the project site such that it would become difficult for some categories of businesses to remain in the area. The following three questions (numbered in italics below) address the potential for significant adverse indirect business displacement impacts.

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

As shown in **Table 3-8**, as of May 2018 there were an estimated 20,116 employees in the ½-mile study area. These employees represented approximately 6.2 percent of the Bronx’s total employment, and 0.5 percent of the employment in all of New York City. Within the socioeconomic study area, the healthcare and social assistance sector accounted for the vast majority of total employment (57.7 percent), followed by the Administrative and Support and Waste Management and Remediation Services sector (10.7 percent). These findings are consistent with the large concentration of hospitals and medical offices found in this area of the Bronx.

**Table 3-8**

**Estimated Employees in ½-Mile Study Area, Bronx, and New York City**

Type of Job by NAICS Category	Study Area		Bronx		New York City	
	Employees	Percent	Employees	Percent	Employees	Percent
Agriculture, forestry, fishing and hunting	0	0.0%	107	0.0%	1,123	0.0%
Mining	0	0.0%	50	0.0%	642	0.0%
Utilities	0	0.0%	182	0.1%	9,723	0.2%
Construction	438	2.2%	10,574	3.3%	116,874	2.9%
Manufacturing	163	0.8%	8,580	2.6%	138,165	3.4%
Wholesale trade	125	0.6%	11,023	3.4%	97,453	2.4%
Retail trade	994	4.9%	32,470	10.0%	415,287	10.2%
Transportation and warehousing	171	0.9%	8,664	2.7%	120,995	3.0%
Information	110	0.5%	4,244	1.3%	219,267	5.4%
Finance and insurance	263	1.3%	4,900	1.5%	362,833	9.0%
Real estate and rental and leasing	285	1.4%	10,610	3.3%	177,362	4.4%
Professional, scientific, and technical services	549	2.7%	10,621	3.3%	443,258	10.9%
Management of companies and enterprises	4	0.0%	174	0.1%	23,373	0.6%
Administrative and support and waste management and remediation services	2,150	10.7%	6,767	2.1%	134,804	3.3%
Educational services	1,158	5.8%	55,726	17.2%	324,573	8.0%
Health care and social assistance	11,597	57.7%	100,849	31.1%	640,191	15.8%
Arts, entertainment, and recreation	86	0.4%	3,107	1.0%	98,110	2.4%
Accommodation and food services	798	4.0%	17,658	5.4%	317,908	7.8%
Other services (except public administration)	637	3.2%	22,960	7.1%	245,324	6.1%
Public administration	560	2.8%	14,565	4.5%	155,270	3.8%
<b>Total</b>	<b>20,116</b>	<b>100.0%</b>	<b>324,744</b>	<b>100.0%</b>	<b>4,053,474</b>	<b>100.0%</b>
<b>Notes:</b>	<sup>1</sup> Includes unclassified establishments.					
<b>Source:</b>	Business Summary Reports, Infogroup, Inc., 2017. Data collected through Esri (accessed May 29, 2018).					

As discussed above, the proposed project would introduce approximately 1.2 million gsf of commercial office space for business, professional, or medical facilities; 100,000 gsf of bio-tech/research space; 124,300 gsf of hotel use; 100,000 gsf of college/trade school space; and 40,000 gsf of retail space; 2,000 gsf of community space; 380,900 sf of open space; and approximately 4,029 accessory parking spaces. Approximately 542,000 gsf of commercial and medical office development would occur in Phase I, with approximately 625,000 gsf of commercial and medical office space developed in Phase II. In the No-Action condition, the existing buildings on the project site would remain vacant.

There is already substantial commercial development and consumer demand in the ½-mile study area. The study area includes approximately 13 million gsf of commercial floor area. The project site is located northeast of the Westchester Square Medical Center and east of Yeshiva University’s Albert Einstein College of Medicine. Just north of the project site, over 80 companies, medical practices, and healthcare organizations are located at Hutchinson Metro Center, which employs approximately 8,000 people and serves approximately 5,000 visitors every weekday. The Center includes Montefiore Health System, other community hospitals, ambulatory subspecialty organizations, and the soon-to-be-opened Montefiore Ambulatory Surgical Center. Within Hutchinson Metro Center, the Metro Center Atrium includes approximately 360,000 gsf of office and medical space, as well as retail and restaurants and a recently completed hotel.

Hutchinson Metro Center’s success demonstrates the importance of public health issues to community, business, and healthcare leaders both in the Morris Park neighborhood of the Bronx and in New York City as a whole, and has highlighted the need for commercial space capable of supporting and addressing these concerns. The proposed project’s adjacency to Hutchinson Metro Center would fulfill the need by providing proximate, high-quality, available development space

capable of supporting a range of healthcare needs, from training to treatment to research to administration.

Moreover, there is an existing trend toward new buildings and higher rents that is expected to increase in the future, irrespective of the proposed project. For example, the Hutchinson Metro Center's 10-story Tower One opened in 2008 and includes office space and an underground parking garage. Renovations to the Main Building, which currently houses medical offices and offices for NYCHA, a branch of the Internal Revenue Service, and the Bronx campus of Mercy College, were completed in 2005. Also in 2008, Albert Einstein College of Medicine opened its Michael F. Price Center for Genetic and Translational Medicine/Harold and Muriel Block Research Pavilion on Morris Park Avenue within the New York City Health and Hospital Corporation's Jacobi Medical Center (JMC) campus. The five-story, \$220-million facility is the largest and most significant research building to be constructed in the Bronx in half a century and houses 40 research teams, with 400 scientists, dedicated to advancing a broad array of biomedical research (see also Chapter 2, "Land Use, Zoning, and Public Policy").

The commercial development resulting from the proposed project in both Phases I and II would not constitute new economic activities in the study area, but would be introduced into an area that is already predominantly commercial. The new commercial space would not be considered substantial in an area already characterized by significant commercial development, and would not be enough to alter or accelerate existing economic trends. The proposed project would connect the proposed uses to surrounding development at Hutchinson Metro Center and build on this existing economic activity, adding approximately 1.27 million gsf of complementary medical and professional offices to the vacated project site. The office space resulting from the proposed project in Phases I and II would reflect, rather than alter or accelerate, existing economic patterns in the study area, and is expected to be absorbed by the study area due to the demand for new Class A office space in this area of the Bronx and New York City as a whole. The newly constructed commercial space would be offered at rents comparable to other Class A office buildings in the area.

The proposed project would result in a nominal increase in the retail square footage in the study area compared with the No-Action condition. The proposed retail would provide necessary day-to-day shopping for the Hutchinson Metro Center workforce, visitors, and patients, as well as the worker and visitor population added by the proposed project. Moreover, the study area already contains a substantial retail sector, with retail uses along major streets including Williamsbridge Road, Eastchester Road, and Westchester Avenue. Local retail uses include delis, grocery stores, hair and tanning salons, carpet stores, bars, flower stores, clothing stores, and restaurants. The Castle Center shopping mall, which houses a Pathmark grocery store and a Starbucks coffee shop (among other establishments), is located on the corner of Eastchester Road and Waters Place, just west of the project site.

The proposed project would build on the draw of the existing healthcare and business uses by providing a 133-room hotel in Phase I. The hotel would create the opportunity for visitors to stay in the community, offering meeting space and other hospitality services. The hotel would also be available to accommodate visitors to nearby attractions including the Bronx Zoo and Botanical Gardens.

The proposed college/trade school would be focused on training entry through mid-level technical and management professionals for the healthcare industry, who could then be placed in jobs at the surrounding business and healthcare organizations. The proposed project is also anticipated to

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include a bio-tech incubator dedicated to emerging technologies and research in urban health care issues, encouraging additional participation in these fields.

Based on the above discussion, for both the Phase I and Phase II analysis years, the proposed project would not introduce a trend that increases commercial property values, making it difficult for businesses essential to the local economy—or a business that is the subject of regulations or publicly adopted plans to preserve, enhance, or otherwise protect it—to remain in the study area. Furthermore, as discussed in more detail in Chapter 1, “Project Description,” the proposed project would provide multiple socioeconomic benefits including elimination of blight, job creation, creation of office and other supporting space, and enhancement of tax bases.

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

As discussed above, the proposed project would not directly displace residences or businesses on the project site. Therefore, the proposed project would not directly displace uses that provide direct support to businesses in the socioeconomic study area, or that bring to the area substantial numbers of people that form a customer base for local businesses.

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

As described above, the proposed project would not directly displace any residents or businesses on the project site, and therefore would not result in a direct loss of a customer base for existing businesses as a result of development on the project site. In addition, the proposed project is not expected to result in significant indirect displacement of businesses or residents. The proposed development on the project site would add a modest amount of retail to the study area and would add more office workers, increasing the customer base of existing businesses in the study area.

### ***CONCLUSION***

While the proposed project would add a substantial amount of commercial development to the project site, this would not be a new use in the study area. The study area already has a well-established commercial market, and the proposed project would not be introducing new economic activities to the project site or to the study area that would alter existing economic patterns. This area of the Bronx is already characterized by substantial office development for business, professional, and medical facilities. The retail uses introduced by the proposed project would not be at a scale that would accelerate commercial market trends within the study area. The retail added to the project site would serve the study area’s existing workforce, visitors and patients, as well as the worker and visitor population added by the proposed project. Moreover, the proposed hotel would not be considered substantial new development that is markedly different from existing uses, development, and activities within the neighborhood. Therefore, based on *CEQR Technical Manual* guidelines, the proposed redevelopment of the project site would not result in any significant adverse impacts due to indirect business displacement.

The proposed project would also introduce “accessory uses” to the project site. These uses would be dwelling units that would be reserved for those working or studying within the Hutchinson Metro Center or the proposed project (and their families), as described above, and would not directly influence the housing rental market. With respect to indirect influences of changing demographics, the average household income of the proposed project’s tenants is expected to be greater than the current average household income within the study area, but the overall size of

the proposed project's population would not be large enough to affect residential market conditions. Therefore, based on *CEQR Technical Manual* guidelines, the proposed project would not result in significant adverse impacts due to indirect residential displacement. \*