



An Economic Snapshot of the Rockaways

Highlights

- The Rockaways had the second-fastest population growth among the City's 55 Census-defined neighborhoods from 2000 to 2012, but experienced a 16 percent loss in the two years following Superstorm Sandy.
- By 2016, the population reached 127,400, only slightly less than the record set in 2012.
- Private sector employment declined by 11 percent between 2011 and 2013, but recovered quickly, setting a new record of 14,900 jobs in 2016. Growth remained strong during the first three-quarters of 2017.
- Health care was responsible for 39 percent of all private sector jobs. (More than three-quarters of these jobs were located in Far Rockaway and Edgemere.)
- Despite Superstorm Sandy, the number of businesses increased by nearly 11 percent between 2011 and 2016, similar to the citywide growth rate.
- Business sales dipped in the aftermath of Superstorm Sandy, but reached \$149 million by 2016, exceeding the pre-storm level by nearly 35 percent.
- The Rockaways had the 13th-lowest median household income among the City's 55 neighborhoods (\$44,400), and the second-lowest in Queens. Household income varied by community, ranging from \$30,400 in Edgemere to \$138,200 in Belle Harbor.
- The unemployment rate fell from 14.2 percent in 2010 to 9 percent in 2016, but it was still almost twice the 2007 prerecession level.
- Residents had the longest commute of the 55 neighborhoods in the City (52 minutes).

The Rockaways is located in the southernmost section of Queens on the Rockaway Peninsula. Superstorm Sandy, which struck New York City on October 29, 2012, damaged thousands of area homes and businesses, and displaced thousands of families.

Five years later, the population has recovered, employment has set a new record and sales at local businesses have reached record levels. The boardwalk along the Atlantic Ocean, which was destroyed during the storm, has been rebuilt and attracts millions of visitors annually. However, many home owners are still rebuilding, and the Peninsula remains vulnerable to flooding.

The Rockaways is made up of 10 communities, each with their own economic and social identity. Civic pride is evident through large numbers of active community and faith-based organizations.

Transportation is a major concern for residents, because 90 percent work outside of the Rockaways and have long commutes. A new ferry service and select bus route are welcome additions, but subway service is unreliable. The toll on the Cross Bay Bridge (New York City's only intraborough toll bridge) places a unique burden on residents and businesses.

The unemployment rate has declined since the recession, but it is still almost twice the prerecession level despite private sector employment reaching a record level. Job training and commercial development will increase opportunities for local residents.

The City is investing in resiliency projects to lessen the impact of future storms, and has approved a new zoning plan for Downtown Far Rockaway that will encourage commercial and residential development. These initiatives should increase economic opportunity and improve the quality of life for residents.

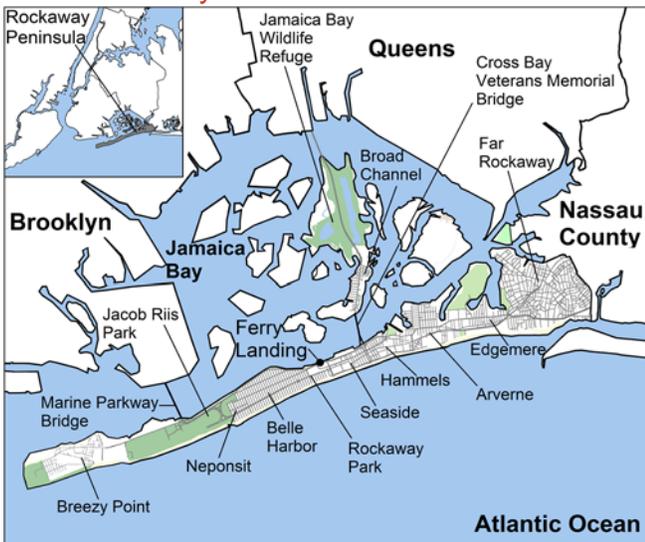
Introduction

The Rockaway Peninsula lies between Jamaica Bay and the Atlantic Ocean, and encompasses Community Board 14 (see Figure 1). The peninsula is named for Rockaway Beach, which stretches for miles along the coast facing the Atlantic Ocean. With more than five miles of boardwalk and one of the only surfing spots in New York City, the Rockaways attract millions of visitors each summer.

In the mid- to late 19th century, the Rockaways was primarily a summer vacation destination. Most visitors arrived by ferry until railroad service was established in 1869. The Rockaways' Playland amusement park operated until 1987.

The Cross Bay Bridge and the Marine Parkway Bridge were completed in the 1930s. Subway service was established in 1956, and the area is served by buses operated by New York City Transit and by Nassau Inter-County Express, which operates in both Nassau and Queens counties.

FIGURE 1
The Rockaways



In Downtown Far Rockaway, commercial corridors include Central Avenue, Mott Avenue, and Beach 20th Street. Jacob Riis Park, Fort Tilden, and Breezy Point Tip are located in the western part of the peninsula and are part of the Gateway National Recreation Area. The new Rockaway ferry route, opened last summer, makes beaches and parks more accessible. More than 5 million visitors came to the Rockaways this past summer.

Superstorm Sandy caused extensive damage to homes, businesses, roads, sidewalks, dunes, parks and beaches. Much of the boardwalk was swept away, the water supply was disrupted, power outages lasted for weeks and subway service was not restored for seven months. Some residents and business owners are still rebuilding.

Demographic Trends

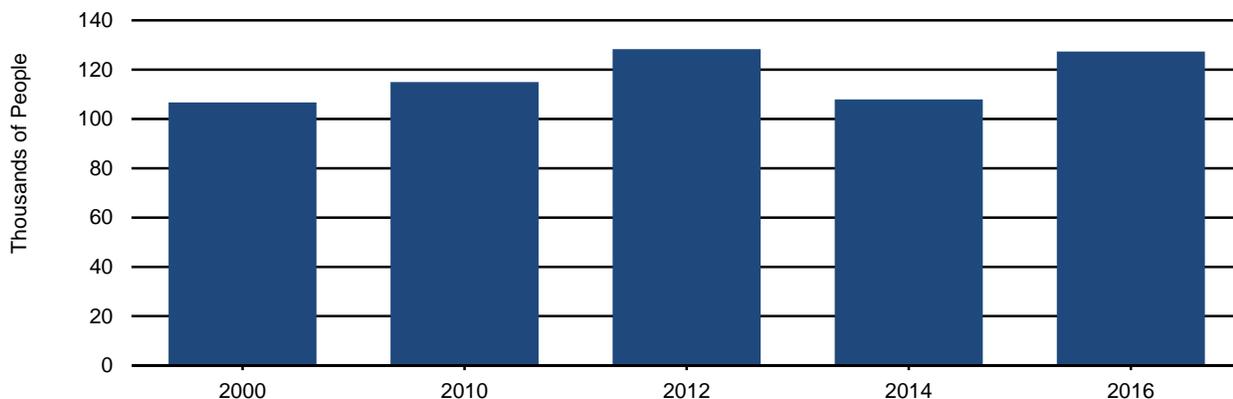
Population growth in the Rockaways was the second-fastest among the City's 55 U.S. Census-defined neighborhoods between 2000 and 2012. The population increased by 20 percent during this period (five times faster than the citywide rate), reaching a record 128,400. The rapid growth, however, was interrupted by Superstorm Sandy (see Figure 2). By 2014, the population had declined by 16 percent (a loss of 20,400 residents), but since then the population has nearly recovered, reaching 127,400 in 2016.

In 2016, 35 percent of the population identified as Black or African American; 30 percent as White; 27 percent as Hispanic; and 4 percent as Asian. Since 2012, the Hispanic population has increased by more than one-third, while the White and African American populations have declined by 11 percent and 8 percent, respectively.

While the Peninsula is diverse, there were significant differences in the racial composition of the various communities. More than two-thirds of the population of Far Rockaway (where 45 percent of the residents reside) and Arverne

FIGURE 2

Population Trends in the Rockaways



Note: 2000 and 2010 are decennial population counts; 2012, 2014 and 2016 are estimates from the American Community Survey.
Sources: U.S. Census Bureau; OSC analysis

identified as African American or Hispanic, while most of the residents of Belle Harbor, Breezy Point, Broad Channel and Neponsit identified as White.

In 2016, immigrants accounted for one-quarter of the population in the Rockaways. Of the 33,100 immigrants, two-thirds were from Latin America (including the Caribbean) and almost one-fifth were from Europe.

While the median age (34) was only slightly lower than the citywide median, 30 percent of the population was younger than 18, a much higher share than in Queens (20 percent) and in the City as a whole (21 percent). The population under the age of 18 grew by 24 percent between 2000 and 2016, compared to a 7 percent decline citywide.

More than one-quarter of the working-age population had earned at least a bachelor's degree, lower than the citywide rate (37 percent). Educational attainment, however, varied by neighborhood. More than half of the residents in Belle Harbor and Neponsit had at least a bachelor's degree, while less than one-quarter had a college degree in Far Rockaway and Edgemere.

Household Income

In 2016, the Rockaways had the 13th-lowest median household income among the City's 55 neighborhoods (\$44,400), and the second-lowest in Queens. However, incomes vary significantly among the communities on the Peninsula. Edgemere had the lowest median household income at \$30,400, while Belle Harbor had the highest median income at \$138,200.

Higher-income households are concentrated on the western end of the Peninsula. Middle-income communities include Broad Channel, Rockaway Park and Arverne. Far Rockaway is predominantly lower-income, but includes sections with middle-class households.

More than one-fifth of the households in the Rockaways had incomes below the federal poverty level, and nearly one-third of the children lived in poverty (slightly higher than the citywide shares). The poverty rates in Far Rockaway (25 percent) and Edgemere (34 percent) were well above the citywide rate (18 percent).

More than 29 percent of the households were enrolled in the Supplemental Nutrition Assistance Program (SNAP), formerly known as the food stamp program, and 44 percent of residents were enrolled in Medicaid, higher than the citywide rates (20 percent and 34 percent, respectively).

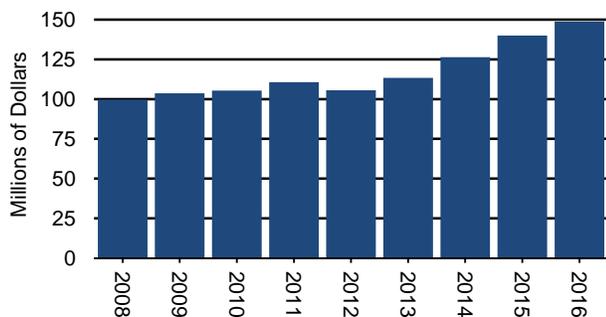
Business Trends

In 2016, there were 1,215 businesses in the Rockaways. Retail accounted for 15 percent, and health care, restaurants and personal services businesses (including nonprofit organizations) each accounted for about 10 percent. Despite Superstorm Sandy, the number of businesses has increased by nearly 11 percent since 2011, similar to the citywide growth rate.

Most businesses are small (81 percent had fewer than 10 employees; two-thirds had fewer than five employees). Large businesses (those that employ 100 or more employees) represented only 3 percent of all businesses, but were responsible for 49 percent of total private sector employment. One of the largest employers is St. John's Episcopal Hospital, which is now the only full-service acute care hospital in the area. Other large employers include Peninsula Nursing and Rehabilitation Center and Madelaine Chocolate.

Taxable business sales dipped in 2012 in the aftermath of Superstorm Sandy, but grew quickly in subsequent years (see Figure 3). By 2016, sales had reached a record of \$149 million, exceeding the pre-storm level by 35 percent.

FIGURE 3
Business Sales



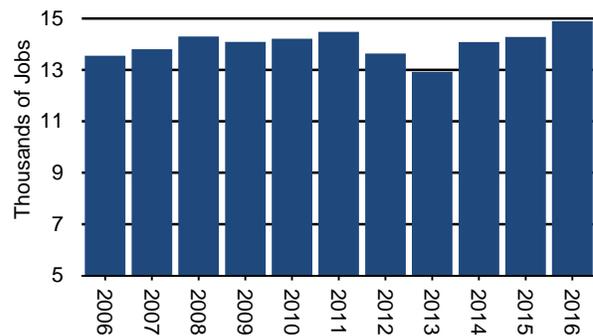
Note: Annual taxable sales data for the period beginning March 1st to the end of February in the next calendar year.
Sources: NYC Department of Finance; OSC analysis

Nearly half (47 percent) of all businesses in the Rockaways were located in Far Rockaway and Edgemere. Retail trade and health care each accounted for about 17 percent of the businesses located there.

Private Sector Employment

The Rockaways lost more than 1,500 jobs (11 percent) between 2011 and 2013 as a result of Superstorm Sandy and the closure of the Peninsula Hospital Center. Employment rebounded strongly in 2014 and continued to grow over the following two years, reaching a record level of 14,900 jobs in 2016, 400 more than the prior record in 2011 (see Figure 4). Job growth remained strong during the first three-quarters of 2017, increasing at an annual rate of 4 percent (600 jobs). The rate of growth was much faster than the citywide rate (2.3 percent).

FIGURE 4
Private Sector Employment

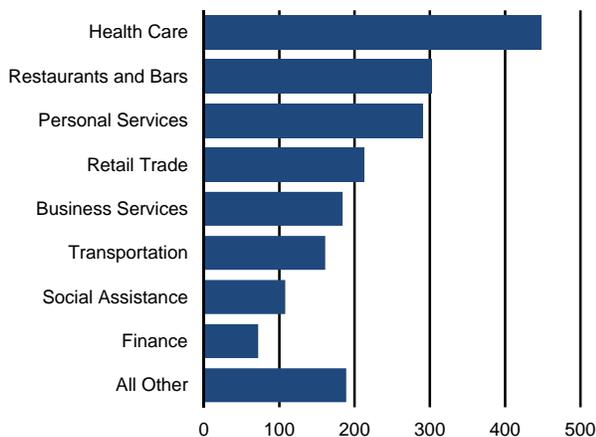


Sources: NYS Department of Labor; OSC analysis

Health care was the largest employer in the Rockaways by far (5,900 jobs), accounting for 39 percent of all private sector jobs. More than three-quarters of these jobs were located in Far Rockaway and Edgemere. Businesses that deliver personal services (e.g., nail and hair salons) were the second-largest employer, providing 1,400 jobs (9 percent of all private sector jobs). Retail, social assistance and finance were each responsible for more than 1,100 jobs.

The average salary of all private sector jobs in the Rockaways was \$39,600, which was lower than in Queens overall (\$48,400). Although the average salary in the health care sector was relatively high (\$49,700), many jobs were in lower-paying sectors, including retail trade (\$29,300), social assistance (\$26,700), personal services (\$26,300), and restaurants and bars (\$18,300).

FIGURE 5
Jobs Added by Sector
2013-2016



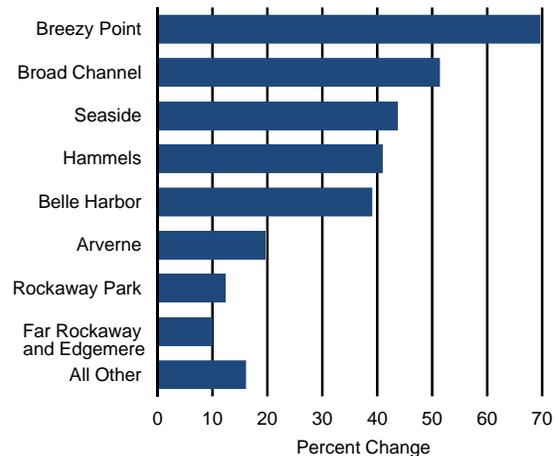
Sources: NYS Department of Labor; OSC analysis

As shown in Figure 5, more than half of the 2,000 jobs gained between 2013 and 2016 were concentrated in three areas: health care, restaurants and bars, and personal services. Despite adding the most jobs during this period, the health care sector was still 16 percent smaller than in 2010 (reflecting the closure of the Peninsula Hospital Center).

The sectors with the fastest rates of job growth included trucking and other transportation-related businesses (60 percent) and restaurants and bars (59 percent). Restaurants and bars added 300 jobs during this period, driving employment to a new record. Business services grew by 45 percent (half of the 200 jobs added were professional jobs, such as accountants). Retail added more than 200 jobs, an increase of 22 percent.

As shown in Figure 6, the rate of job growth varied by community. Far Rockaway and Edgemere (with 9,500 jobs) experienced a lower rate of job growth (10 percent) than elsewhere on the Peninsula.¹ Health care accounted for almost half of the jobs in this area. Downtown Far Rockaway (with 1,700 jobs) experienced an even slower rate of job growth (5 percent).

FIGURE 6
Job Growth by Neighborhood
2013-2016



Sources: NYS Department of Labor; OSC analysis

Job growth was relatively slow in Rockaway Park (with 1,400 jobs) as well. Nearly 40 percent of the jobs were in health care, and another fifth were in retail trade.

Arverne and Seaside had the next-largest concentrations of employment, with 1,300 jobs and 900 jobs, respectively. Two-thirds of the jobs in Arverne were in health care and transportation, while Seaside had a more diverse job base. Both areas experienced strong job growth between 2013 and 2016, growing by 20 percent and 44 percent, respectively.

There were a similar number of private sector jobs in Belle Harbor, Hammels, Broad Channel and Breezy Point (ranging from 300 to 400 jobs). While employment was relatively diverse in Belle Harbor and Hammels, business services dominated in Broad Channel (63 percent of all private sector jobs), and finance was responsible for more than one-third of all private sector jobs in Breezy Point. All four of these communities experienced strong job growth between 2013 and 2016, particularly Broad Channel and Breezy Point, where employment increased by 51 percent and 70 percent, respectively.

¹ Two-thirds of all private sector jobs in the Rockaways are located in Far Rockaway and Edgemere.

Residents in the Work Force

Residents of the Rockaways had the longest commute among the 55 neighborhoods in New York City (averaging 52 minutes). Slightly more than half drove to work, and 40 percent took public transportation.

Between 2011 and 2016, average weekday ridership on the subway and the railroad increased by 20 percent and 11 percent, respectively. However, only 62 percent of the subway trains were on time during weekdays in 2016, and performance deteriorated further in 2017, contributing to long commutes.

Only 10 percent of residents worked in the Rockaways, and three-quarters of those residents held jobs that paid less than \$40,000 annually. A total of 57 percent of residents worked elsewhere in Queens or in Brooklyn. Only 17 percent commuted to Manhattan, the smallest share among all of the City's 55 neighborhoods.

Residents worked in a wide range of occupations. Of the City's 55 neighborhoods, the Rockaways ranked in the top 10 for the highest share of firefighters and police officers (fifth) and teachers (ninth). Only 10 percent of the residents worked in occupations with average salaries of at least \$100,000 annually.

The unemployment rate fell from a high of 14.2 percent in 2010 to 9 percent in 2016, according to the U.S. Census Bureau. However, it was still nearly double the rate from before the recession (4.7 percent in 2007), and it was the third-highest of any neighborhood in Queens.

The unemployment rate varied by neighborhood, ranging from 2.9 percent in Belle Harbor to 17.9 percent in Edgemere. In general, communities located on the western portion of the Peninsula had low unemployment rates, while those located on the eastern portion had rates that were higher than the citywide average.

Housing

According to the U.S. Census Bureau, two-thirds of the households in the Rockaways were renters in 2016. Of the 26,000 rental units on the Peninsula, 43 percent were rented at market rates, 27 percent were rent-stabilized, and the rest were public housing and Mitchell-Lama projects.²

The median monthly rent (including utilities) rose by 39 percent to \$1,043 between 2005 and 2016, while median household incomes remained flat. In 2016, 55 percent of rental households in the Rockaways devoted 30 percent or more of their incomes to rent (the level at which rent is considered a burden), a similar share as in Queens and in the City. About 70 percent of senior-citizen households devoted at least 30 percent of their incomes to rent, slightly higher than the citywide share.

There are more than 4,000 New York City Housing Authority (NYCHA) apartments in the Rockaways, and these properties are home to nearly 10,000 people. Even before Superstorm Sandy, many of these units were in disrepair. Repair work began last year on several developments damaged by the storm. The Ocean Bay (Bayside) Apartments were recently enrolled in the federal Rental Assistance Demonstration program, which allows public housing authorities to access private capital for repairs.

Of the 14,170 households that own their homes, 59 percent own traditional one-, two- or three-family homes. The remainder own cooperatives or condominiums. According to the U.S. Census Bureau, median home values declined by 21 percent between 2008 and 2014 as a result of the recession and Superstorm Sandy. Since then, home values have nearly recovered, reaching \$507,900 in 2016, just 4 percent below the prerecession peak.

² Based on data from the 2014 Housing Vacancy Survey, the latest data available.

Crime

The crime rate in the Rockaways (11.2 serious crimes per 1,000 residents in 2017) was similar to the citywide rate. Serious crime has fallen by 11 percent over the past two years and is approaching the 2011 level.

Public Schools

Enrollment in School District 27, which covers the entire Peninsula, grew by 35 percent between the 2006-2007 and 2015-2016 school years. Despite the addition of seven new schools in the past 10 years, eight schools remain overcrowded.

The traditional elementary and middle schools in the Rockaways have shown notable improvements in English proficiency in recent years, although they still lag behind the citywide average. Between 2014 and 2017, the share of students who scored at the proficient level in English language arts rose from 26 percent to 33 percent. The share of students who scored at the proficient level in math stayed relatively even at 27 percent during this period.

Health Care

Many residents struggle with serious health issues, according to the 2015 New York City Community Health Profiles. The rate of stroke hospitalizations ranked third among the 59 community districts in the City, and the rate of psychiatric hospitalizations ranked fifth. In 2015, the death rate was higher in the Rockaways than in the City as a whole for all but two of the 10 leading causes of death.

A major community concern is limited access to health care facilities. After the Peninsula Hospital Center closed in 2012, St. John's Episcopal Hospital became the only full-service acute care hospital in the area. Emergency room visits at St. John's increased by 40 percent between 2011 and 2015. The average emergency room wait time for patients before being seen for a

diagnostic evaluation (50 minutes) was more than twice the statewide average.³

Several projects will improve access to health care in the Rockaways. St. John's has received approval for a \$10 million State grant that will allow the hospital to double the size of its emergency room. The New York City Economic Development Corporation plans to expand facilities and programs at the Addabbo Family Health Center in Arverne, which provides services to uninsured and underserved people. The Rockaway Medical Arts Complex, which is scheduled to open this year, will provide a wide range of medical services.

Resiliency and Revitalization

The City's Build It Back program received federal funding to rebuild, renovate, and elevate privately owned single and multifamily homes damaged by Superstorm Sandy. In the Rockaways, the program accepted 2,593 applicants, but it was slow to get started.

As of October 2017, nearly all (96 percent) of the single-family applicants had either been issued reimbursement checks, were in some phase of having their homes repaired or rebuilt, or had received both a check and construction assistance.⁴ Still, construction was not complete on 429 homes.

Nearly three-quarters of businesses in the Rockaways were located in Sandy-affected areas. In Rockaway Park and Rockaway Beach, businesses reported, on average, between \$100,000 and \$500,000 in damage, according to the National Flood Insurance Program. Many small businesses are owned by local residents, who also suffered damage to their homes.

Four of the six libraries in the Rockaways were heavily damaged by Superstorm Sandy, requiring extensive repairs and the replacement of damaged books.

³ New York State Health Profiles, https://profiles.health.ny.gov/measures/all_state/12310.

⁴ NYC Office of Management and Budget

In May 2017, the reconstruction of the Rockaway Boardwalk was completed at a cost of \$341 million. The new 5.5-mile boardwalk includes a sand retaining wall, higher dunes and more plantings to protect the neighborhood from future storms. In addition, the U.S. Army Corps of Engineers has replaced 3.5 million cubic yards of sand (along Rockaway Beach from Beach 19th Street to Beach 149th Street) for \$36.4 million.

The Rockaway Waterfront Alliance operates the Rockaway Institute for a Sustainable Environment (RISE), a center for community-based programs and collaboration focused on the environment.

The Resilient Edgemere Community Plan would create resilient housing and improve streets and transportation over a 10-year period. The City has already committed \$145 million to finance seven resiliency projects, including: improving storm-water management at Bayswater Park; raising the shorelines in Edgemere and at Rockaway Community Park; replacing six recreational facilities along Shore Front Parkway; replacing the seawall at Beach 88th Street Park; and building a resilient park at Thursby Basin Park.

Other plans are also under consideration that would better protect the area from flooding. The Breezy Point Risk Mitigation Project, with a cost of \$58 million, will be designed to withstand the forces associated with a 100-year flood. The Federal Emergency Management Agency has approved 75 percent of the funds needed for the first phase. A number of NY Rising initiatives have also made funds available for infrastructure, resiliency and rebuilding projects in the Rockaways.

As part of the City's revitalization efforts, a new ferry service was inaugurated in May 2017 from the Rockaways to Wall Street via Sunset Park, helping to alleviate commuting difficulties for residents, as well as encouraging tourism. The Metropolitan Transportation Authority is exploring the feasibility of reactivating the Rockaway Rail

Line; others have advocated turning the abandoned rail line into a park.

According to the New York City Economic Development Corporation, Downtown Far Rockaway faces many challenges, including retail vacancies, and a lack of community services, amenities, housing options and quality open space. The City Council recently approved a plan to rezone 23 blocks to spur development. The plan anticipates \$288 million in investments, including \$126 million in City funds for infrastructure improvements and the acquisition of land for affordable housing.

Arverne by the Sea is a 120-acre planned community on a previously vacant site that is adjacent to the Atlantic Ocean and near a subway station. The master plan called for nearly 2,300 residential units of various types to be built in phases. The project was designed to be resilient to flooding and rising sea levels, and suffered minimal damage during Superstorm Sandy. Construction began this past summer on the project's final phase (The Tides), which will include 214 market-rate apartments and commercial space.

The Arverne East master plan calls for the development of a sustainable and resilient community on an 80-acre site. The plan includes approximately 1,200 residential units, 150,000 square feet of retail space, a nature preserve and a boardwalk.

In Rockaway Park, a large residential project is planned near the 116th Street subway stop. The project calls for the construction of four nine-story residential buildings and 23,000 square feet of commercial space. Construction has begun on the first building, which includes 90 luxury residential condominiums.

The former Peninsula Hospital site in Edgemere, which closed in 2012, was sold in 2016. The new owners plan to build multifamily housing and commercial space.