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Housing Alliance

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August 7, 2024

Hon. Charles Strome
Acting Village Manager
Village of Mamaroneck
123 Mamaroneck Avenue
Mamaroneck, New York 10543

Dear Mr. Strome:

On behalf of the Washingtonville Housing Alliance / Westhab (“WHA”), and as a follow up to meetings held on July 10th and July 25th, 2024, please allow this correspondence to serve as our response to the Village’s request for each responder’s best and final proposal to the October 23, 2023 Request for Proposals for the redevelopment of the Hunter Tier Parking Lot.

We have always believed that WHA advanced the best proposal for the reimagining of this important Village asset—a development that is both complementary to Mamaroneck’s land use vision and worthy of the people who live and work in this community. That said, we appreciate the Village’s desire to get the best deal it can for its residents. As a stakeholder in this Village for over four decades, we too want what is best for our neighbors.

With that in mind, and after listening to the priorities of this Village governing board as shared by their legal and design professionals, we took a second look at our proposal to see what could be changed to satisfy the Village’s new goals. We hope that you accept these revisions in the spirit they are given—accomplishing our mission of increasing the amount of high-quality affordable housing in a corner of our country that desperately needs it, and making this development a source of pride for all.

As we have been throughout this process, we stand ready, willing and able to answer any question or concerns raised by any stakeholder. We thank you for your time, courtesy and consideration of our response.

Sincerely,



Richard Nightingale
President & CEO
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1. Summary of Goals

Based on our meetings with the Village Attorney and Planning Consultant on July 10th and July 25th, 2024, the below points are what we were asked to reconsider about our RFP Proposal for this final resubmission to the Village.

- The Village asked that our proposal remove the 3 BR units to decrease impact on the School District.
- The Village believes that it needs approximately 150 parking spaces for the Community (to be officially determined during the SEQR process).
- The Village would prefer that the residential parking spaces were at a ratio of 1:1 instead of 0.9:1 as proposed.
- The Village would consider a shared parking plan, but that would have to be reviewed and approved during the SEQR Process.
- The Village asked that we propose a temporary parking plan during construction.
- The Village asked if we would consider including market rate housing in our development plan.
- The Village asked us to indicate if we would be interested in developing a larger public/private partnership with the Village that might include other Village owned land, including the Village Courthouse.

Our response to the above feedback is below, including providing some of the previous iterations of our proposals for comparison.

2. Summary of Revisions to the Hunter Terrace Proposal

WHA’s original Hunter Terrace proposal included 77 units and 122 total parking spaces. In the 1st amendment to our proposal, we presented 77 units and 170 parking spaces.

We are now proposing removing one residential floor of the development for a new total unit count of **62 residential units** and increasing parking to a new total of **180 parking spaces**. Decreasing the unit count, while increasing the parking, shows our best faith effort to achieve the Village’s goals and address areas of concern.

10/23/23 Original

Residential Units: 77
 Total Parking Spaces: 122
 Residential: 70
 Public: 52

1/4/24 1st Amendment

Residential Units: 77
 Total Parking Spaces: 170
 Residential: 67
 Public: 103

8/7/24 2nd Amendment

Residential Units: 62
 Total Parking Spaces: 180
 Residential: 55
 Public: 125

A. Design Changes

As shown above, WHA’s revised proposal includes removing one residential floor and the 3 BR units, resulting in a reduced total unit count of 62. The changes will reduce the parking needs of the residents and the overall height of the building. Minor changes to the building layout would increase the parking count slightly leading to a net increase of 22 parking spaces for the community (from 103 to 125).

While remaining under the building height allowed by zoning, shortening the building will add flexibility to the design of the parking garage, making it more cost-effective because less rock excavation will be required.

The revised unit counts and distribution are as follows:

Level	Unit Type				Total
	0 BED	1 BED	2 BED	3 BED	
5th Floor	2	3	6	0	11
4th Floor	4	4	9	0	17
3rd Floor	2	6	9	0	17
2nd Floor	2	6	9	0	17
Total	10	19	33	0	62

B. Parking

As shown above, we are now proposing 180 parking spaces, with 55 being for residents (maintaining the 0.9 spaces/unit ratio required by zoning) and 125 being for the public.

The Village’s willingness to evaluate a shared parking arrangement during the SEQR process is appreciated, as WHA does not believe that the residential tenants will utilize all of the parking spaces dedicated to them at a parking ratio of 0.9 (code compliant). A shared parking scenario could potentially increase the total number of parking spaces available for the community.

C. Parking Plan During Construction

In our 10/23 Proposal Update we stated: “The Development Team has agreed to rent 10-15 spaces from St. Thomas Church during working hours during the construction period so that the construction workers driving to the site have a convenient place to park, and aren’t using public parking spaces. As an informed, local organization, we are aware that Village officials are discussing using the St. Thomas Church parking lot during the construction period for use by the Emelin Theatre. Our rental agreement with the Church would not impact any agreement the Village makes with the Church as we would only be using the spaces during permitted, weekday working hours that would not conflict with events at the theater.”

In addition to our original proposal, WHA would make unused parking spaces at our properties in the Village available for use to visitors of the Village Courthouse and patrons of the Emelin Theatre. Other nearby Village resources, such as underutilized parking lots in Mamaroneck's Industrial Zone could potentially be utilized. A specific plan would be developed and approved during the SEQR process when traffic engineers and planning consultants are fully engaged.

D. Zoning Changes

We tailored our proposal to Mamaroneck's existing zoning because we wanted to present something that was responsive to the spirit and letter of a very robust and transparent land use code revision process. In making those changes, we believed the Village was increasing its capacity to address affordability challenges in housing development. Like any builder, we champion the belief that every municipality should seek input from stakeholders and take a hard look at their local laws and regulations from time to time to meet the evolving and dynamic needs of their community. However, given the smaller scale of project that we are now offering for consideration and approval, we do not believe any changes in zoning are needed to accommodate our proposed development.

E. Inclusion of Market Rate Housing

Based on the community parking needs of the Village in this location, WHA doesn't believe that a market rate scenario is the right fit for this development because the parking requirements and needs for market rate units are much higher than for affordable units (80% Area Median Income (AMI) and below). For example, for the 62 units we are proposing, the parking requirements under a market rate scenario would be 79 spaces for the residents. Additionally, except for those projects with hundreds of units and tremendous economies of scale, market rate developments are stalling out across Westchester and beyond in the current interest rate environment. In short, the only market rate deal that is financeable today is one that would be totally out of character for a small community like Mamaroneck.

However, we would feel comfortable adjusting the unit mix to accommodate more higher income families at 70% and 80% AMI, as long as the overall income mix averages to 60% AMI and below so that the building can still utilize tax credit financing and low interest subsidies from NYS, as well as the County's affordable housing financing programs. The building would otherwise be unfinanceable. To be clear, these financing requirements are driven by the State of New York and Westchester County agencies, not borrowers like WHA, who develop the housing.

F. Larger Development Concept (including Village Hall)

WHA would, in theory, be interested in a larger project that combines the Hunter Tier Parking Lot and the Village Courthouse sites. This type of project has the potential to have a bigger impact on the Village, though it would also be much more complicated and challenging to execute making it probable to never happen. To incorporate the Village's municipal office into a future project, the total housing project would have to be much larger. A larger project would have a larger impact on the schools, which the Village has already described as a complication. At this juncture, it is our view that the Hunter Tier site can and should move forward independently from a larger plan.

G. Developer Fee

In our meetings, the Planning Consultants asked about our contemplated Developer Fee described in our original application. Rest assured that we do not stand to receive the proposed Developer Fee that was included, and there are clarifications we would like to make to ensure that there is no confusion.

In all-affordable developments financed through conventional funding mechanisms (mainly tax credits), developer fee is not a “profit” number determined by the developer, but a formulaic part of the overall budget used to pay for the staffing needed to complete the development, increase tax credits available for financing the project (since it is basis eligible), and act as contingency to ensure project completion.

In our original proposal, we showed \$5,838,568 of developer fee as a use. Approximately 50% of that would actually be paid to the Developer at certain intervals over the approximately 5-7-year pre-development, construction and lease-up period (\$2,664,490). The remainder is called deferred developer fee (DDF), which essentially accounts for the project's total cash flow over the first 15 years of the project's regulatory compliance period (\$2,474,078 / 15 years equals \$164,938 a year). In all-affordable developments, rents are restricted / stabilized, so some DDF / cash flow is built into the proforma to ensure that the Developer is able to account for dramatic increases in expenses and/or inflation (like what happened during the Covid-19 pandemic, the high rate of inflation the past two years, and other changes like the unprecedented premium increases in the insurance market in recent years). It's also important to note that the amount of the Development Fee is approved by the State in facilitating the financing of the project. Unlike a market rate deal, where government has no say in the level of profit enjoyed by the developer, developer fees are highly regulated by the State of New York to ensure that they are suitable given the size and scope of the project. It has been our experience that the developer fee is always the first area to be cut to make the budget work, so it is anticipated that this fee may be further reduced. Moreover, these funds are usually the first made available to address any potential cost overruns.

Additionally, we proposed to build the Community Facility using a \$700,000 sponsor's loan which would be paid from our own Paid Developer Fee. Reinvesting these funds is important to us because, as long-standing members of this community for nearly forty years, we are committed to its future growth and success.

H. Preferences for flood impacted individuals/families

As described throughout our original submission, WHA understands the needs of those individuals and families living in the Village that have been affected by flood events. Though the project must follow Fair Housing Laws and other federal, state and local requirements, WHA will endeavor to give a housing preference to people living in the Village who have been impacted by flooding, and if allowed, will seek additional financial resources from NYS and elsewhere to assist in making that a reality.

I. Conclusion

WHA remains proud of our Hunter Terrace proposal and we have worked diligently on two rounds of amendments to our proposal in order to produce the best possible outcome for the Village. We feel strongly that all municipalities should be doing everything that they can to increase the supply of affordable housing. In this case, the Village will also benefit from a new public parking lot, replacing a dilapidated facility that represents a significant cost and liability to the Village if unaddressed.

We understand the need to replace the public parking and the importance of this priority. In our first amendment, we added a level of parking. In this amendment, we have removed a residential level and further increased the parking count by over 20%. This is clear evidence of our willingness to be flexible, and our dedication to producing a development that will work for the community and provide as much parking as possible. Additional detailed analysis of all points will be conducted during the land use / SEQRA process.

As revised, the Hunter Terrace proposal now includes 62 apartments and 180 total parking spaces. We have removed all of the three-bedroom units to decrease the impact on the school district. All of the sustainable design standards and flood mitigation measures included in our original proposal remain. The proposal still includes a multi-use Community Hub to strengthen and support the ties that bind this Village.

We believe Hunter Terrace would be an incredible asset for the Village and an exciting and important outcome for the Hunter Tier location.