



Source: Village of Mamaroneck

The State of Affordable Housing in Mamaroneck



**Village of Mamaroneck
Planning Department**

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Introduction and Executive Summary:

Once a more affordable alternative to its exclusive neighbors on the Sound Shore of Westchester County, the Village of Mamaroneck has seen the accessibility of its housing to low-income families diminish. Unless action is taken to stabilize and safeguard the continued production of new affordable housing in the Village and the larger surrounding region, Mamaroneck's racial and socioeconomic diversity and the fairness of its housing market are threatened.

Increasing affordable housing was also a key priority outlined in the recently adopted 2023 Comprehensive Plan. Recommendation 4a-15 calls to increase the supply of low-and-moderate-income affordable housing in the Village. Survey responses associated with the comprehensive plan revealed that housing affordability was a top concern among residents. As such, 'preserve existing affordable housing; create new affordable housing' was listed as the third goal of the Comprehensive Plan.

One solution being considered by the Village of Mamaroneck's Board of Trustees (BoT) is the adjustment of the mandatory inclusion of housing units restricted to below-market-rate (BMR) rents affordable to low-income households from 10% to 20%. An adjustment of the area median income (AMI) bands from 30% - 80% from 30% - 60% to reach a broader population remains in current consideration with the BoT.

Another solution adopted by other local municipalities is bolstering local housing choice through the legalization of Accessory Dwelling Units (ADUs).

This report examines the depth of Mamaroneck's affordable housing crisis, explores how to feasibly implement policy interventions aimed at increasing the stock of affordable housing at all income levels.

Background: Affordable Housing in the Village of Mamaroneck

Increasing affordable housing was also a key priority outlined in the recently adopted 2023 Comprehensive Plan. Recommendation 4a-15 calls to increase the supply of low-and-moderate-income affordable housing in the Village¹. Survey responses associated with the comprehensive plan revealed that housing affordability was a top concern among residents. As such, 'preserve existing affordable housing; create new affordable housing' was listed as the third goal of the Comprehensive Plan.

Historical Context of Mamaroneck's Affordable Housing Crisis:

The reality for aspiring first-time homebuyers and renters today vs. 30 years ago is bleak. Over the past several decades, the affordability of rental housing in Mamaroneck has eroded in the face of a multitude of economic trends that have caused housing prices to rise much faster than wages and other commodities.

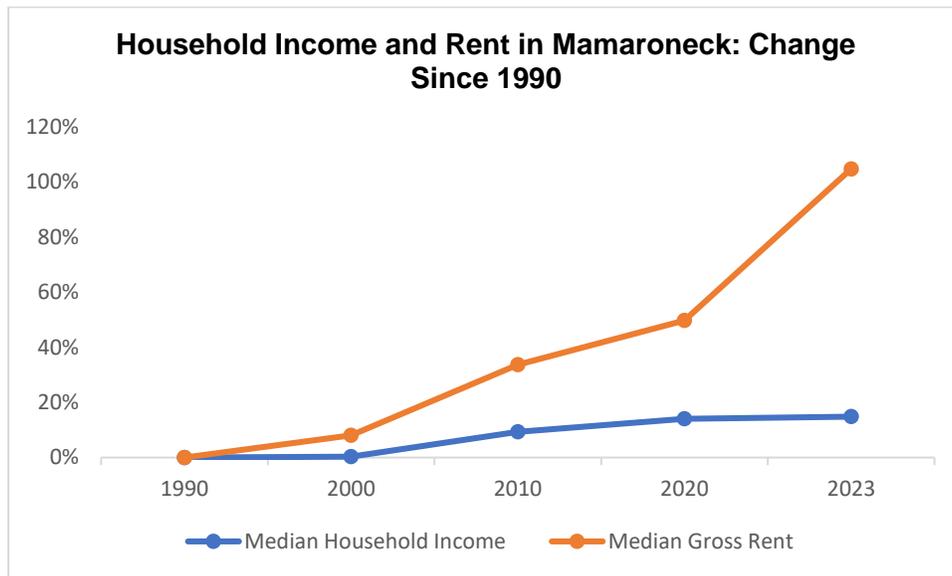


Figure 1 Source - US Census Decennial Census and ACS Five-Year Estimates. All Values in 1990 Dollars.

Incomes have stagnated in Mamaroneck and beyond in the past four decades, while rents have continued to grow, putting pressure on renters in the Village. In Mamaroneck, growth in median gross rent has been outpacing income growth since at least the 1990s. As of 2023, rents are 90% higher and incomes are only 15% higher than they were in 1990 after adjusting for inflation (See Figure 1).

This growing gap between incomes and rents has manifested itself in renters having to spend an ever increasing share of their income on housing. As defined by the U.S. Department of Housing and Urban Development, individuals are considered rent-burdened when more than 30 percent of their income is spent on housing. The percentage of rent-burdened households in the Village of Mamaroneck was 47% in 2022, with 32% severely rent burdened (meaning they pay more than 50% of their pre-tax income towards housing).² This trend is not limited to renters but is also reflected, to a marginally smaller extent, to homeowners. Where 39% of homeowners are cost-burdened, with 18% severely cost burdened.

¹ <https://www.village.mamaroneck.ny.us/sites/g/files/vyhlf826/f/uploads/vom-2023-comp-plan-adopted.pdf>

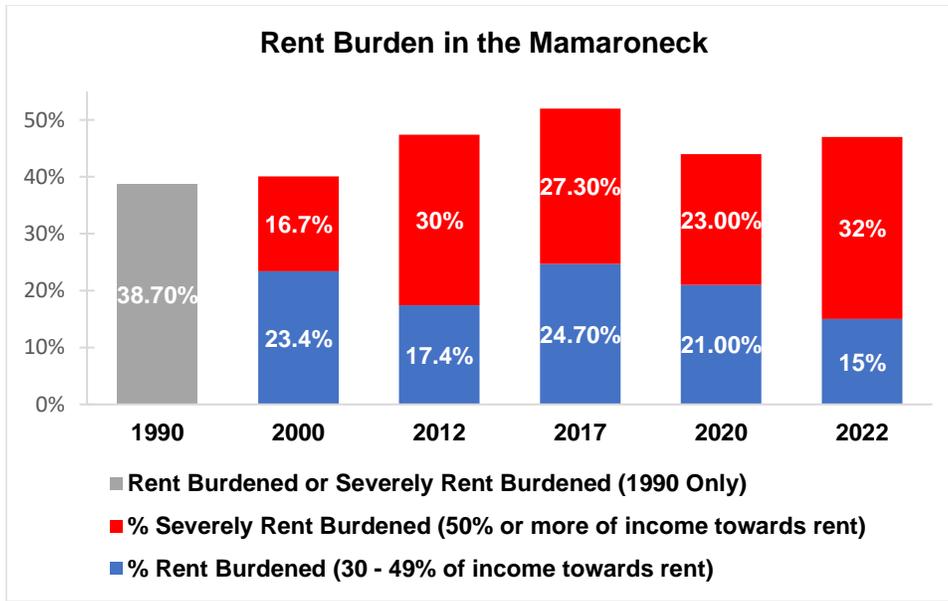


Figure 2 Source - US Census Decennial Census and ACS Five-Year Estimates.

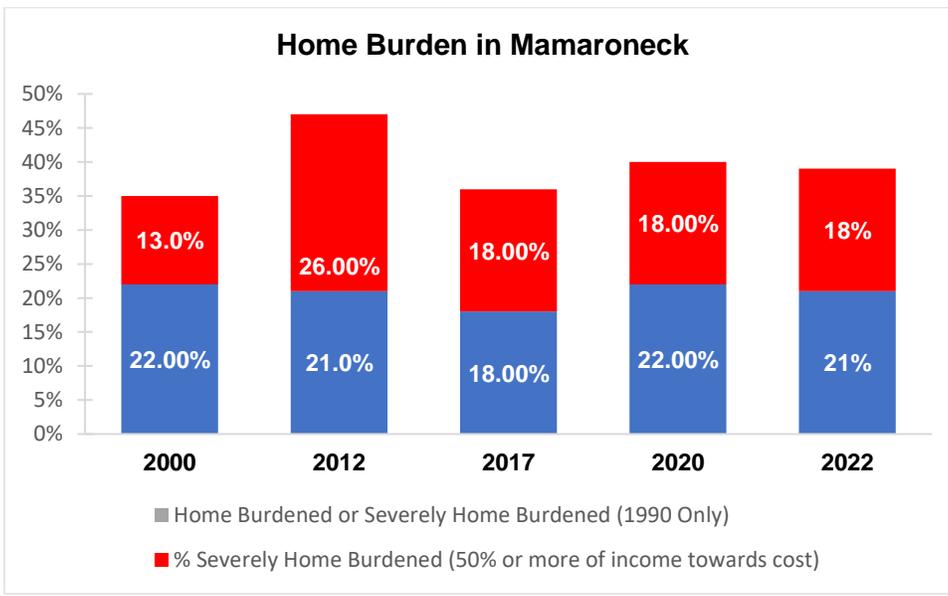


Figure 3 Source - US Census Decennial Census and ACS Five-Year Estimates.

In 2019, Westchester County published a Housing Needs Assessment³. The analysis found that an income of \$270,000 was required to afford a median-priced home in the Village. The Village Planning Department used a similar formula to the 'Homeownership Affordability Matrix' from the 2019 Report to update the median required income to reasonably afford a median-priced home today⁴.

³ <https://homes.westchestergov.com/images/stories/HNA/1125fullrep.pdf>

⁴ Calculated on the assumption of a 30 year, fixed rate mortgage at 6.69%, 28% of annual income ratio, property taxes at ~\$20,000 and a 5% down payment with Private Mortgage Insurance. Mortgage rate obtained by the Planning Department on 1/25/2024 via Freddie Mac.

In 2023, \$1.08 million was the median-price of a single-family home sold in the Village of Mamaroneck⁵. As such, the median income necessary to afford a median priced home in the Village of Mamaroneck in 2023 is \$373,842 per year. This means a household moving to the Village would need to make roughly three times the median income to afford a single-family home in the Village of Mamaroneck⁶.

In 2023, \$300,000 was the median-price of a co-op or condo sold in the Village of Mamaroneck⁷. The median income necessary to afford a median priced co-op or condo in 2023 is \$98,828.57⁸. As of February 2nd, 2024, there were 9 active co-op and condo listings. The median price of an active 1-bed 1-bath condo was \$499,000. It is important to note that the median co-op price is aligned with a one bedroom co-op, and will likely be occupied by one or two person households.

The median gross rent in the Village of Mamaroneck according to 2022 ACS 5-Year Estimates was \$1,964. The market rate estimates are sourced from active listings in the Village via listing averages. The AMI rent estimates reflect Westchester County's NY Statutory Exception Area FY2024⁹, as applied against minimum occupancies as defined in §342-105 of the Village Code. The median gross is aligned with older housing stock and one-bedroom units.

This new rental market reality has necessitated the tough choice to either reduce expenses elsewhere or leave Mamaroneck for other communities with lower housing prices. This choice is even graver for low-income families, who typically have few nonessential expenditures that can be sacrificed to accommodate rising rents.

Market Rent New Construction, 2-Bedroom: \$3,902

Market Rent New Construction, 1-Bedroom: \$2,841

80% AMI Rent, 2-Bedroom: \$2,350

80% AMI Rent, 1-Bedroom: \$2,056

60% AMI Rent, 2-Bedroom: \$1,763

60% AMI Rent, 1-Bedroom: \$1,543

Regional Context: Rents, Housing Stock and Population:

Housing affordability challenges extend well beyond the Village boundary. Housing production in Westchester County and across the New York Metropolitan Area has not kept pace with job and population growth. As of 2022, within the New York-Newark-Jersey City, NY-NJ-PA Metro Area, 80% of the housing stock was built before 1990, and 28% was built in 1939 or earlier¹⁰.

The value of housing units regionally has also increased over the past two decades, implying that homeownership regionally is less attainable today than it was in 2010.

Owner-occupied home value	2010	2022
Less than \$50,000	1.6%	2.5%
\$50,000 to \$99,999	1.7%	1.6%

⁵ Based on single-family homes within the Village boundary sold in 2023 via Zillow obtained in January 2024.

⁶ Median household income, 2018-2022 (in 2022 dollars): \$121,572.

⁷ Based on condos and co-ops within the Village boundary sold in 2023 via Zillow, obtained in February 2024.

⁸ Calculated on the assumption of a 30-year, fixed rate mortgage at 6.69%, 28% annual income ratio, property taxes at ~\$5,000 and a 10% down payment with Private Mortgage Insurance. Mortgage rate obtained by the Planning Department on 1/25/2024 via Freddie Mac.

⁹ https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2024_code/2024zip_code_calc.odn?zcta=10543&metro_code=METRO48325M48325&year=2024&hypo=hypo

¹⁰ <https://api.census.gov/data/2022/acs/acs1/cprofile>

\$100,000 to \$149,999	2.2%	1.5%
\$150,000 to \$199,999	3.8%	2.0%
\$200,000 to \$299,999	13.8%	6.8%
\$300,000 to \$499,999	40.5%	26.2%
\$500,000 to \$999,999	29.8%	45.2%
\$1,000,000 or more	6.5%	14.3%
Median (dollars)	\$426,500	\$578,800

Figure 4 Source – U.S. Census Bureau. "Comparative Housing Characteristics." American Community Survey, ACS 1-Year Estimates Comparison Profiles, Table CP04, 2022 and Table CP04, 2010.

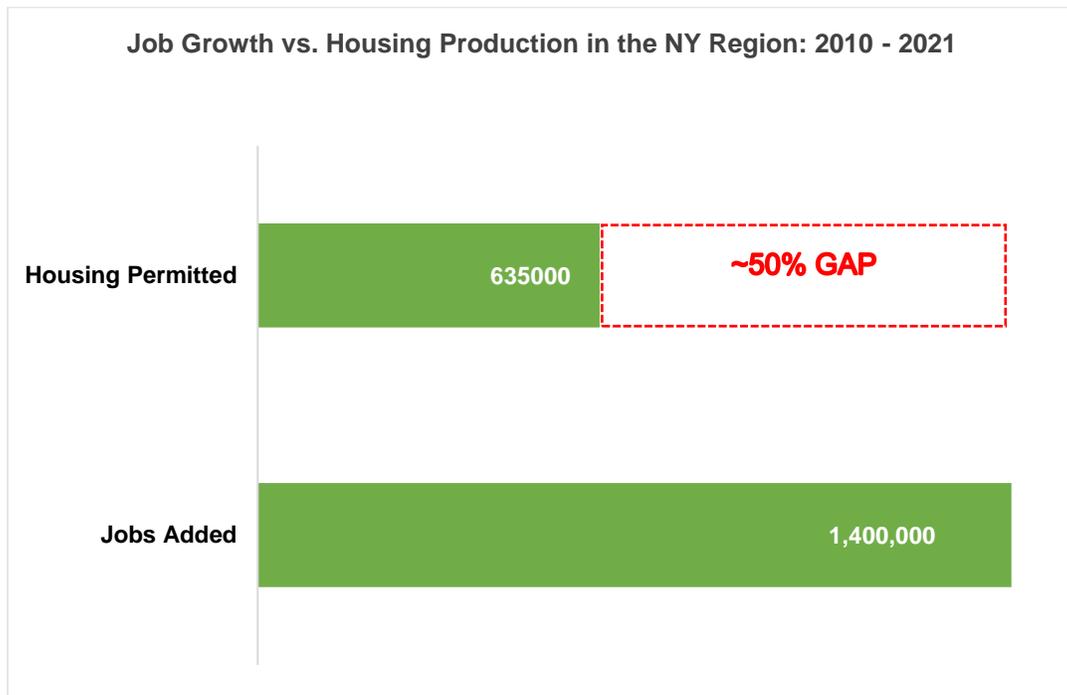


Figure 5 Source: New York City Department of City Planning, Metro Region Explorer

Data demonstrate that limiting or prohibiting net increases in housing units will increase housing price pressures for both renters and owners alike¹¹.

As New York City and the surrounding region have added jobs and people during this past decade of economic growth, there has not been enough new housing added to meet the demand. As can be seen in Figure 5, despite adding almost 1.4 million jobs in the past decade, the region has added less than 630,000 housing units. This shortage of nearly 50% has contributed to driving up the cost of existing

¹¹ Gyourko, J., & Molloy, R. (2015). Regulation and housing supply. *Handbook of Regional and Urban Economics*, 5, 1289–1337. ; Gyourko, J., Saiz, A., & Summers, A. (2008). A new measure of the local regulatory environment for housing markets: The Wharton residential land use regulatory index. *Urban Studies*, 45, 693–729. ; Mast, Evan. 2019. "The Effect of New Market-Rate Housing Construction on the Low-Income Housing Market." Policy Brief. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research. ; Schuetz, J. (2009). No renters in my suburban backyard: Land use regulation and rental housing. *Journal of Policy Analysis and Management*, 28, 296–320.

housing. Additionally, the number of people living alone has more than tripled since 1940 according to Census Data, adding additional pressure for units¹².

This shortage, exacerbated by pandemic-driven demand and subsequent interest rate increases, has affected the ability of both first-time homebuyers and renters to secure housing. As a result, low-income households spend more of their household income on rent, and middle-income households delay homeownership, further increasing the market pressure on rental housing.

The underproduction of housing is not distributed equally across the region. While New York City and New Jersey continue to add substantive units of new housing, the rest of the region, including the Hudson Valley, has not kept pace. Between 2010 and 2022, the Lower Hudson Valley has added only 17.8 units of housing per 1,000 residents. Comparatively, NYC, NJ Metro periphery and NJ Metro Core have added 30.4, 35.7 and 41.9 units of housing per 1,000 residents during the same period.

That is a 20.5% decrease in the total amount of new housing units added in the region between 1997 to 2009 (See Figure 6). The increased acuity of the housing shortage at the sub-regional level has meant that rents and housing prices in popular and transit-accessible locales in Westchester County, including Mamaroneck, have seen even more acute pressure on their housing markets.

Housing Units Permitted by Subregion: 2010 to 2022

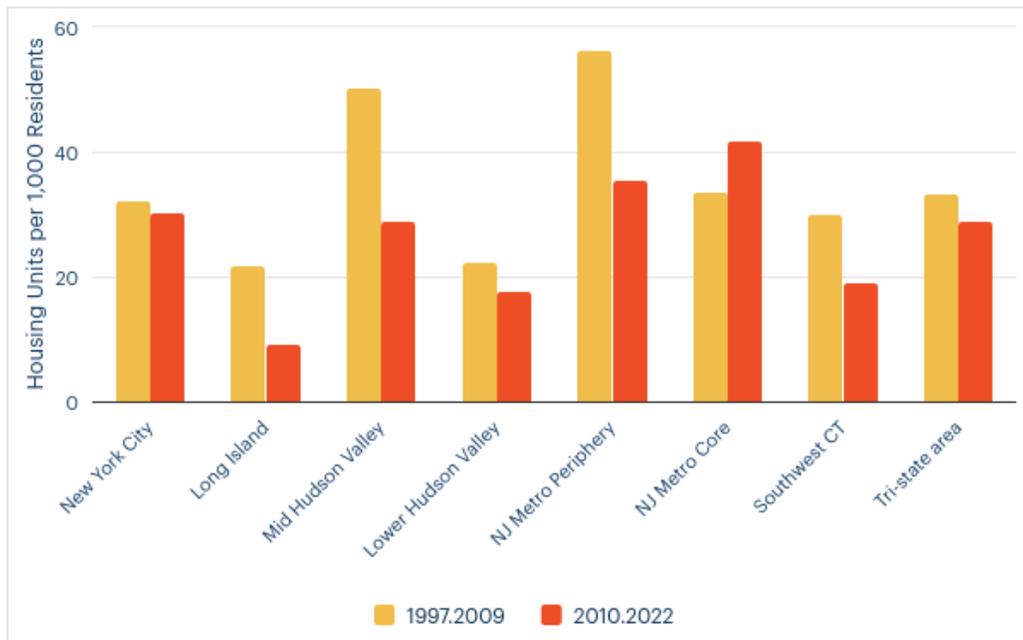


Figure 6 Credit: Regional Plan Association, *Policy Choices & Housing Permits in the Region (1990 – 2022)*¹³

¹² <https://www.census.gov/library/stories/2023/06/more-than-a-quarter-all-households-have-one-person.html>

¹³ <https://rpa.org/latest/lab/policy-choices-housing-permits-in-the-tri-state-area-1990-2022>

North American Metropolitan Areas by Construction Cost

Metropolitan Area	Construction Cost per Square Meter (in US \$)
New York	\$5,451
San Francisco	\$5,200
Boston	\$4,453
Los Angeles	\$4,140
Chicago	\$4,404

Figure 7 Source: [Turner & Townsend, 2023 International Construction Market Survey](#)

Construction costs in the region are higher than in any other area globally. The underlying economics of developing new housing has made it difficult to produce housing cost-effectively. Rising land acquisition and construction costs have made it very difficult for private developers to profitably create housing affordable to lower-income households without subsidies.

In 2023, the Turner International Construction Market Survey analyzed construction costs across 89 global construction markets and found that the New York region has the most expensive construction costs in the world. High labor wages, shortages of skilled labor, and complex building regulations all contribute to an average construction cost of \$5,451 per meter.

Public Subsidies for Affordable Housing Failed to Pace with Need

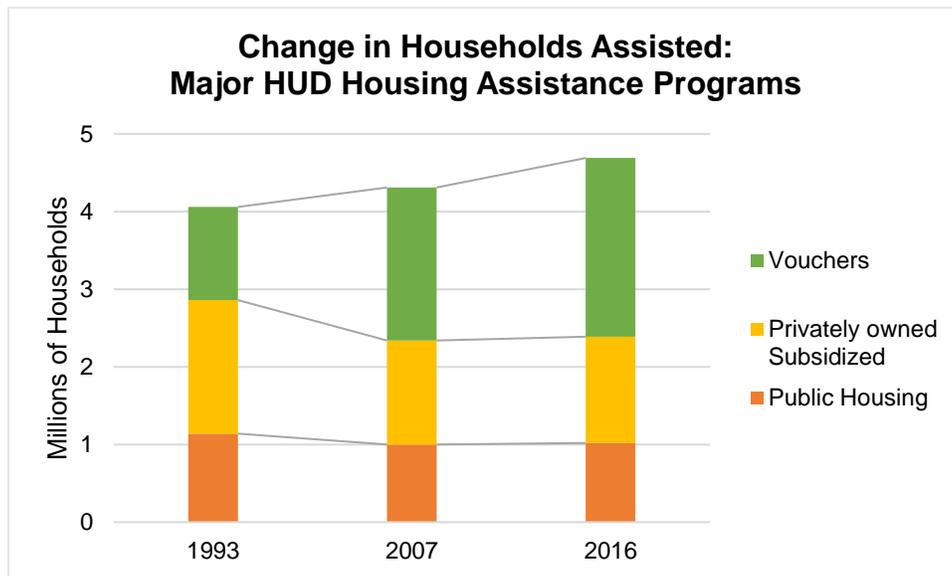


Figure 8 Source: [Urban Institute, Trends in Housing Problems and Federal Housing Assistance](#)

Over the past two and a half decades, the number of households subsidized federally via programs of the United States Department of Housing and Urban Development (HUD) has changed minimally. The doubling in the number of Housing Choice Vouchers (also known as Section 8) has been mostly offset by declines in the number of traditional public housing and other publicly subsidized buildings, for a net gain of less than 1 million additional houses assisted, despite the US having gained over 30 million new households in the same time-period.

Numerous households at qualifying income levels have been unable to secure vouchers or public housing. These high-need households are forced to pay market rents they cannot afford and/or find themselves in housing-unstable situations while they languish on long waiting lists. Changes in federal

policy that would see the number of vouchers or other federally subsidized rental housing options available significantly increase are unlikely in the near term, given the lack of political support.

Tax incentive programs, such as the Low-Income Housing Tax Credit (LIHTC) have attempted to fill this void by incentivizing private banks to finance affordable housing development by nonprofit organizations. However, production via this method still depends on attracting enough private capital, and competition for the credits (of which there are a limited amount of each year) is fierce.

Mamaroneck's Affordable Housing Stock

The inclusion of affordable housing in private housing developments is mandated in the Village of Mamaroneck in the C-1 and C-2 Zoning Districts, as outlined in §342-50 of the Code.

In addition, bonus incentives in the zoning Code are available in the form of additional Floor Area Ratio (FAR) in exchange for a certain percentage of the additional affordable units.

Schedule of Requirements for Affordable Housing Bonus (342-103)

Revised as of 7-10-2023 based on Village Comprehensive Plan

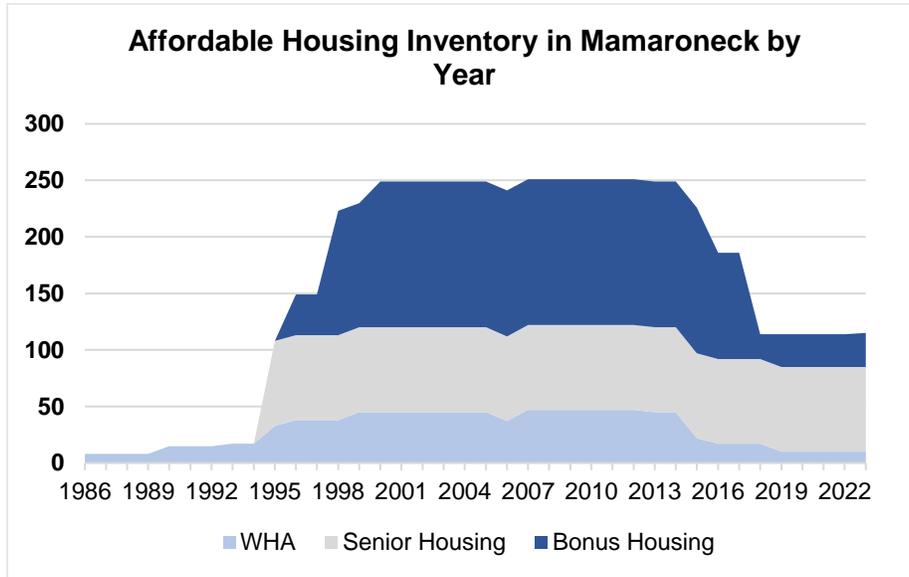
District	Bonus	Maximum FAR or coverage - 5 or more units	Percentage of fair and affordable housing units required to achieve bonus	Percentage of fair and deeply affordable housing units required to achieve bonus
C-2	0.5 FAR	FAR 2.5	100% of units	10% of units
RM-1	20% unit bonus	2,500 square feet of land/unit	50% of units	No requirement
RM-2	20% unit bonus	1,500 square feet of land/unit	50% of units	No requirement
RM-3	20% unit bonus	1,000 square feet of land/unit	50% of units	No requirement
C-1	0.5 FAR	FAR 1.3	50% of units	10% of units

Based on a Pro Forma, it is anticipated that no unsubsidized housing would be built in the Village under the above schedule of requirements. As a result, only affordable housing developers or developers who leverage low-income housing credits will likely build housing. Alternatively, very high-cost luxury units may be constructed without use of the bonuses. Unlike the Westchester County Model Ordinance regulations, the Village terms of affordability are in perpetuity for rentals and 99-years for ownership.

Since the passage of the affordable housing bonus in 1986, the mechanism has seen mixed success. Amended in 2019 and most recently in 2023, the C-1 and C-2 are the only two districts that require deeply affordable housing units to achieve the development bonuses.

Out of 26 for-profit multifamily developments in the infill housing area since the institution of the bonus, only four projects have utilized the bonus in some capacity, producing 128 affordable housing units. With the exception of the Regatta, none of these bonus-users have been in the C-2 zone, where the stringent affordability requirement has turned away developers that do not have public or nonprofit financial support for their projects. The recent changes detailed above with a larger percentage of units required to be affordable, may paradoxically result in fewer affordable units actually being constructed due to the limited availability of LIHTC and fewer projects initiated by affordable housing developers relative to market-rate housing developers.

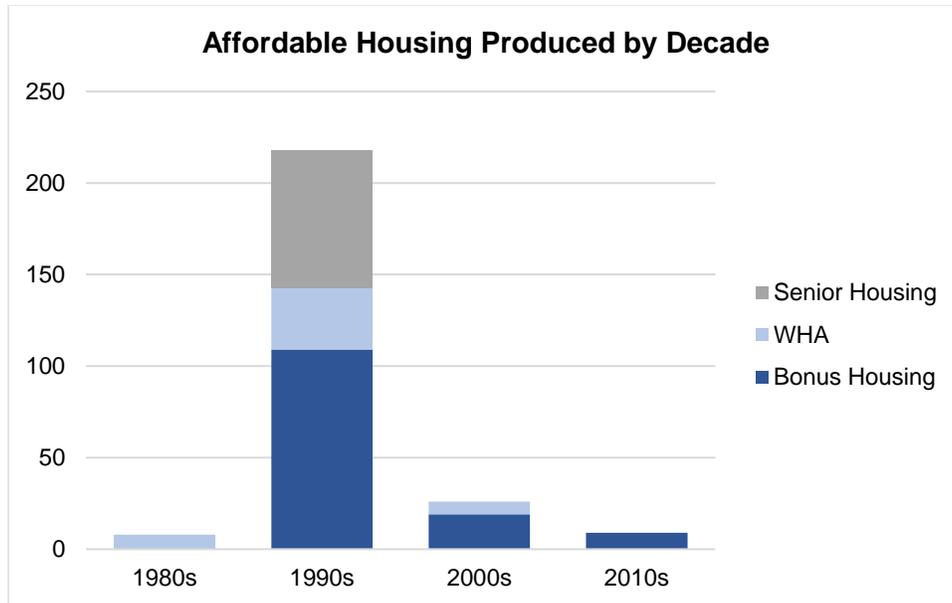
Additional affordable housing has been produced without using the affordable housing bonus. Washingtonville Housing Authority has developed 44 housing units on a nonprofit basis. An additional market-rate development in the RM-3 has produced affordable housing (5 units) via a discretionary agreement with the Planning Board to mitigate impacts in the Washingtonville neighborhood.



There are currently 463 rent-stabilized units in the Village that fall under the Emergency Tenant Protection Act or ETPA, New York State’s rent stabilization legislation. Some municipalities adopted rent control for apartments built before 1947. These controls apply to tenants who have not moved from a rent-controlled apartment since July 1, 1971. These units are under protection as they have been occupied since July 1, 1971.

As of January 2024, the County guidelines for renewal leases between October 1, 2023, and September 30, 2024 are 1% for a 1-year lease term and 2% for a 2-year lease term, respectively. These units are inelastic and provide little benefit in the market, as turnover is limited by regulations.

Many of the existing units expired out of their affordability restrictions between 2013 and 2019. The low levels of additional units mean that low-income tenants of the Village may be faced with pressure to relocate out of the County or State to find cheaper housing.



Policy Tools for Improving Housing Affordability

Housing affordability is a regional issue that can only be effectively solved if all municipalities play their part. There are two general strategies that can be taken to improve housing affordability:

1. Providing Below-Market-Rate Housing
2. Reducing the Price of Market-Rate Housing

Municipal Housing Subsidies

An expensive but effective way to ensure that a subset of housing remains affordable to lower-income families is via funding construction and maintenance of housing for the explicit purpose of maintaining affordability. Municipalities can manage this housing themselves or grant funds to nonprofit developers.

Affordable Housing Bonuses and Mandates

When public funds are not available, policy levers to increase the amount of affordable housing units, such as an Inclusionary Housing Program, offer developers additional FAR or density bonuses in exchange for more floor area. The Village of Mamaroneck, as outlined in §342-103 of the Village Code, currently offers a variety of development benefits to incentivize the construction of housing for a variety of income groups, but some of those policy incentives may be dysfunctional.

Unlike public housing which is government funded, the upfront costs and recurring maintenance of these units fall on the developer rather than the municipality. The downside of this policy is that it has been shown to increase the cost of market-rate units within a development.

Context: Current Policies

Historical Overview of Housing Segregation

The history of zoning has played a large role in the stock of housing. First adopted in the early 1900s, many municipalities utilized zoning to specifically ban inhabitants based on race. Although though the Supreme Court later ruled racial zoning to be unconstitutional, Federal policies like the Homeowner's

Loan Corporation and Federal Housing Authority further entrenched segregation across the nation¹⁴. Both government institutions used ethnic and racial criteria to determine which groups received subsidizing mortgage financing, cementing segregation patterns that still exist today.

These programs, spearheaded by known segregationists, subsidized home ownership and subdivisions like Levittown, NY. These subdivisions contained restrictive covenants that prohibited the sale of homes to Black Americans. Developers of the time such as William Levitt stated that the financing of these racially exclusive suburbs would not have been possible without subsidization from the Federal Government.

Across the region, the remnants of these racist institutions have left New York still segregated, and worse so than many other regions in the United States. According to Census Bureau data, the Village of Mamaroneck is not as racially diverse in comparison to the broader regional area.

Race	New York Metropolitan Statistical Area¹⁵	Mamaroneck Village¹⁶
White	46.5%	63.4%
Black or African American	16.1%	4.3%
American Indian and Alaska Native	0.8%	1.0%
Asian	12.5%	4.9%
Native Hawaiian and Other Pacific Islander	0.1%	0.0%
Some Other Race	14.1%	13.9%
Two or More Races	10.0%	12.5%
Hispanic or Latino by Race	New York Metropolitan Statistical Area	Mamaroneck Village
Hispanic or Latino (of any race)	25.2%	27.5%
Not Hispanic or Latino	74.8%	72.5%
White (not Hispanic)	43%	59.4%

Defining Affordable Housing

HUD considers housing affordable to a household if less than 30% of the household's income goes towards housing costs, whether that be rent and utilities for rental housing or mortgage, utilities, and upkeep costs for owner-occupied housing.

The metric used by HUD and other government organizations to define eligibility for affordable housing and the rents charged to tenants is Area Median Income (AMI), which is the estimated median household income in the HUD-defined housing submarket areas for a family of four, with adjusted thresholds for larger and smaller households. An affordable unit must charge no more than 30% of the assumed target income in accordance with HUD standards.

¹⁴ Rothstein, Richard. 2018. *The Color of Law*. New York, NY: Liveright Publishing Corporation. Pages 39-75.

¹⁵ U.S. Census Bureau. "PROFILE OF GENERAL POPULATION AND HOUSING CHARACTERISTICS." Decennial Census, DEC Demographic Profile, Table DP1, 2020, <https://data.census.gov/table/DECENNIALDP2020.DP1?q=census&g=310XX00US35620&d=DEC> Demographic Profile. Accessed on February 15, 2024.

¹⁶ U.S. Census Bureau. "PROFILE OF GENERAL POPULATION AND HOUSING CHARACTERISTICS." Decennial Census, DEC Demographic Profile, Table DP1, 2020, [https://data.census.gov/table/DECENNIALDP2020.DP1?q=mamaroneck village census&d=DEC](https://data.census.gov/table/DECENNIALDP2020.DP1?q=mamaroneck%20village%20census&d=DEC) Demographic Profile. Accessed on February 15, 2024.

How Mandatory Inclusionary Zoning Works

Mandatory Inclusionary Zoning requires that a certain percentage of housing units in a residential development be made available and affordable to low and/or moderate-income households. These units are restricted by deed, covenant or other legal device to charging rent below market rate and only housing households that are below certain income thresholds.

Advantages of mandatory inclusionary zoning as an approach to providing affordable housing include:

- **Affordable housing can get produced using private capital without need for public subsidies**
 - The profits from the market-rate portion of the development offset the costs of providing affordable housing. If the overall financial return of the building return adequate profits for a developer and their lenders, it does not matter if the below-market-rate portion of the development loses money.
- **Integration of below-market-rate development in market-rate development provides for socioeconomic integration within buildings and within neighborhoods**
 - Socioeconomic integration via inclusionary zoning fulfills HUD's Affirmatively Furthering Fair Housing objectives, allows low-income households to afford to live in attractive communities with access to high-quality government services and economic opportunity.

Challenges include:

- **Production of affordable housing depends on market interest of private developers**
 - For a proposed development to return enough revenue to guarantee developer interest while including below-market-rate units, more housing units must be produced on the same size parcel. If the underlying zoning does not permit this required density, development of housing units, below-market-rate or market-rate, will not occur. The pro forma at the end of this report identifies the lowest densities at which inclusionary zoning ceases to function from a feasibility perspective.
- **There is some evidence that mandatory inclusionary zoning increases housing costs and lowers rates of housing production.**

In certain metropolitan areas, the usage of Inclusionary Zoning was found to increase housing costs locally¹⁷.

Westchester County's Model Affordable Housing Ordinance

As part of Westchester County's 2009 settlement with the U.S. Department of Housing and Urban Development (HUD) requiring the county to increase its efforts to affirmatively further fair and affordable housing, the county developed a model housing ordinance for adoption by local municipalities that utilizes mandatory inclusion as a mechanism to assure the availability of affordable housing throughout the county.

While Mamaroneck was not required by the settlement to adopt the model ordinance, voluntary adoption of the ordinance is strongly encouraged, and ensures better compliance with Fair Housing Laws. Moreover, Westchester County requires municipalities agree to certain aspects of the model ordinance in order to receive discretionary county funds (e.g. Sidewalk Improvement grants through CDBG and the Westchester County Urban County Council). Below are the basic requirements of the ordinance.

¹⁷ <https://furmancenter.org/research/publication/the-effects-of-inclusionary-zoning-on-local-housing-markets>

Inclusionary Requirement: 10% of units (10 or more units in development); 1 unit (5 to 9 units)

Affordability standard: 60% AMI for rental units; 80% AMI for for-sale units

Terms of affordability: Guaranteed for at least 50 years

Further requirements relate to the conditions of the units. The units must be physically and cosmetically integrated into the rest of the development, and at least 80% of the floor area of the other units of the same bedroom count in the development.

The model ordinance also encourages the use of incentives to reduce the cost of providing affordable units and/or encourage developers to include units above and beyond the 10% requirement. These incentives are important for helping defray developer costs. Incentive techniques available include:

- Eliminating or reducing parking requirements for affordable units
- Providing FAR, height, and setback bonuses in exchange for the provision of additional affordable units
- Allowance for shared parking to reduce infrastructure costs
- Expedited project review for projects with affordable units

Local Options for Improving Housing Affordability

Inclusionary Zoning

There are many approaches to inclusionary zoning, often varying across an area's-built environment. There are two types of inclusionary zoning as it pertains to ordinances: (1) mandatory percentages or (2) density bonuses granted to developers¹⁸. Both urban and suburban areas often leverage density bonus incentives for developers in exchange for a percentage of units earmarked for affordable housing. Both income thresholds (defined by AMI) and density bonuses are determined on local levels. Examples of inclusionary zoning include adopting or expanding upon all controls outlined in the Westchester Model Affordable Housing Ordinance.

Deed restrictions can also act as a protection against affordability pressures such as developer speculation or gentrification. Limitations on the resale of homes to individuals or entities outside of specific income-bands can help keep homeownership attainable for residents across the economic spectrum¹⁹.

Waiving discretionary review requirements for specific types of projects (e.g. affordable housing development or senior housing) can also remove barriers to entry to build additional housing. The waiving of discretionary reviews can reduce the time, analysis and overall cost of construction.

Legalization of Accessory Dwelling Units

Permitting the construction of Accessory Dwelling Units, or ADUs, provides an opportunity for the Village to create more variety of housing choice both in physical character and affordability. According to the RPA, "if just one third of the region's single-family homes located in these transit-oriented areas were to add additional units through conversion or an ADU retrofit, more than 250,000 homes could be created."²⁰

¹⁸ Ann S. Matthews, Inclusionary Zoning in Westchester County, New York: Is It a Viable Tool to Reduce a County-Wide Housing Crisis?, 27 Pace L. Rev. 89 (2006) Page 98.

¹⁹ <https://www.huduser.gov/portal/periodicals/em/spring13/highlight3.html>

²⁰ <https://rpa.org/work/reports/be-my-neighbor>



Attached Dwelling Unit (Source: RPA)

Accessory Dwelling Units (ADUs), also known as granny-flats, are small, independent, units located on the same lot as a stand-alone single-family home or within an existing home such as a basement or a garage. They offer the ability to provide additional housing units at a low cost in single-family neighborhoods without adversely affecting the character of the built environment. Municipalities can also customize the ownership structure of ADUs, allowing local governments to classify ADUs as rental only, or housing that can be resident-owned. Size, density and parking controls can also be enacted to ensure that these units are appropriate in context with the surrounding neighborhood.



Detached Dwelling Unit (Source: RPA)

ADUs can also provide senior residents of the Village opportunities to age in place. An aging resident that no longer wishes to or can realistically reside in a multi-story single-family home. The AARPs recently published primer for local policy makers and homeowners details the many ways in which the legalization of ADUs can keep multi-generational families in close proximity²¹.

Neighboring municipalities have already moved to legalize ADUs. The Village of Tarrytown voted to amend their zoning code to allow for ADUs in February of 2023. In accordance with legislation, these units must be owner occupied, be between 300-1,000 sq ft and provide an additional space of off-street

²¹ <https://www.aarp.org/livable-communities/housing/info-2019/accessory-dwelling-units-adus.html>

parking²². The Village of Hasting's-On-Hudson's code (295-67D(2)(b)) allows for the construction of ADUs and their Affordable Housing Committee published a primer on accessory apartments/dwelling units provides²³. Their border permitting process and accessory apartment permits also allow for a path to legalization for existing accessory apartments and dwelling units within the Village. It's important to note that these units/apartments are only permitted in the R-20 zoning district of lot sizes 20,000 sq ft or higher.

In the Village of Port Chester, the Code allows that in any district where accessory buildings are permitted, accessory dwellings are also permitted²⁴.

Feasibility Assessment: Pro Forma Analysis

The feasibility of various affordable housing policies is assessed using pro forma analysis, which uses development cost and revenue assumptions like those made by a developer to model the potential profitability of a proposed development. Analysis of this type is commonly used by real estate developers to assess whether to undertake a proposed development or not and make decisions about how to set market rents. Only projects that "pencil out" by predicting an adequate rate of return on the investment can raise the required funds from lenders needed to see the project, whether it contains affordable units or not, be developed.

Policy Options for Testing

Recognizing the need to provide accessibility to a wide array of income groups in Mamaroneck, the Planning Department decided to test the following affordability schemes.

- **10% of units at 80% AMI**
- **10% of units at 60% AMI**
- **20% of units at 80% AMI**
- **20% of units at 60% AMI**

Zoning Assumptions

Aside from FAR and inclusionary housing requirements and/or incentives, dimensional zoning standards are assumed to be equivalent to those in the current zoning code as of January 2024.

Feasibility Thresholds

Larger projects with more housing units tend to have stronger financial performance. Fixed costs get spread over a wider number of units, lowering the per-unit costs and allowing more revenue to be collected per dollar spent. For mandatory inclusionary zoning to work, Floor Area Ratio (FAR) must be permissive enough to allow developments to capitalize on this ability to spread fixed costs across many units and secure an adequate rate of return.

For each affordability option, two feasibility benchmarks are calculated based on the FAR:

- **Feasible:** This metric is the FAR at which a typical for-profit development can net a anything above a 18% rate of return, the level of profitability where a developer is almost certain to take on such an opportunity and development will occur readily under the current conditions.

²² <https://www.tarrytownny.gov/housing-affordability-task-force/pages/questions-and-answers-about-accessory-dwelling-units>

²³ <https://www.hastingsgov.org/affordable-housing-committee/pages/accessory-apartmentdwelling-unit-adu-primer>

²⁴ <https://ecode360.com/10911302>

- Maybe Feasible:** This metric is the FAR at which a typical for-profit development can net a 12-18% rate of return. At this threshold, some development may occur if there are cost savings opportunities, additional revenue opportunities, or other variables that may permit a developer to take on higher levels of risk than seen in typical developments. Development will occur sporadically, but will likely not be completely absent, especially as market rents continue to rise.

Assessment Results

In the Village, the lowest rent a developer can charge in the C-2 to make a rate of return of 12% at 80% AMI with 10% BMR Units is \$4,100 for 2-bed and \$3,750 for 1-bed at an FAR at 2.0.

At 20% BMR, a developer would need to charge \$4,150 for 2-bed and \$3,900 for 1-bed.

Hypothetical Rental Apartment Development in C-2			
FAR Thresholds	Rent per unit, market rate and BMR	% of Below-Market-Rate Units (80% AMI)	Rate of Return Feasibility
1.87 - 2.1	\$4,200 market 2 bed \$3,800 market 1 bed \$2,350 BMR 2 bed \$2,056 BMR 1 bed	10%	15 -17% (feasible)
1.87 – 2.08	\$4,200 market 2 bed \$3,800 market 1 bed \$2,350 BMR 2 bed \$2,056 BMR 1 bed	20%	9% - 12% (not feasible)

In the Village, the lowest rent a developer can charge in the C-2 to make a rate of return of 12% at 60% AMI with 10% BMR Units is \$4,100 for 2-bed and \$3,750 for 1-bed at an FAR at 2.0.

At 20% BMR, a developer would need to charge \$4,400 for 2-bed and \$4,000 for 1-bed.

Hypothetical Rental Apartment Development in C-2			
FAR Thresholds	Rent per unit, market rate and BMR	% of Below-Market-Rate Units (60% AMI)	Rate of Return
1.87 - 2.1	\$4,200 market 2 bed \$3,800 market 1 bed \$1,763 BMR 2 bed \$1,543 BMR 1 bed	10%	15 -17% (feasible)
1.88 – 2.1	\$4,200 market 2 bed \$3,800 market 1 bed \$1,763 BMR 2 bed \$1,543 BMR 1 bed	20%	5% - 8% (infeasible)

Hypothetical Rental Apartment Development in TOD²⁵			
FAR Threshold	Rent per unit, market rate and BMR	% of Below-Market-Rate Units (80% AMI)	Rate of Return
0.8	\$4,200 market 2 bed	10%	8%

²⁵ Maximum allowable FAR 0.8.

	\$3,800 market 1 bed \$2,350 BMR 2 bed \$2,056 BMR 1 bed		(infeasible)
0.8	\$4,200 market 2 bed \$3,800 market 1 bed \$2,350 BMR 2 bed \$2,056 BMR 1 bed	20%	5% (highly infeasible)

Hypothetical Rental Apartment Development in TOD			
Necessary FAR	Rent per unit, market rate and BMR	% of Below-Market-Rate Units (60% AMI)	Rate of Return
0.8	\$4,200 market 2 bed \$3,800 market 1 bed \$1,763 BMR 2 bed \$1,543 BMR 1 bed	10%	5% (highly infeasible)
0.8	\$4,200 market 2 bed \$3,800 market 1 bed \$1,763 BMR 2 bed \$1,543 BMR 1 bed	20%	1% (highly infeasible)

Assessment Conclusion

Increasing the percentage of BMR units or lowering the AMI threshold will result in less affordable units constructed within the Village of Mamaroneck. Alternatively, the Village could consider density bonuses to promote a higher percentage of affordable units or lower AMI bands. This analysis also found that new construction demands rents that are unaffordable to households earning less than 120% AMI. The BoT may consider regulating to include incomes up to 120% of AMI. When the same analysis was performed in 2019, market rents were affordable to households making 120% of AMI.