



**Planning and Community
Development Department**
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James Rausse, FAICP, WEDG
Commissioner

Pamela J. Tarlow, Esq.*
Deputy Commissioner
*Admitted in CA

May 7, 2026

VIA EMAIL

Honorable City Council Members
City of Mount Vernon
One Roosevelt Square
Mount Vernon, NY 10550

**RE: IN-LIEU-FEES FOR PARKING NOT PROVIDED DURING LAND USE BOARD
APPROVALS**

Honorable City Council Members,

Procedural History

In February the City Council was asked to review the mandatory in-lieu-fees for parking found in the Zoning Code. These fees are assessed when an applicant cannot provide the on-site parking required by the zoning ordinance. The fees are most commonly applied during reviews by the Zoning Board of Appeals (“ZBA”) for parking variances. These fees were concerning to staff due to inconsistency between the Comprehensive Plan policy document and the existing zoning ordinance. This fee is normally collected after a ZBA action allowing a variance for parking and before the certificate of occupancy is issued. The City Council tabled the item.

City Council asked that we provide a full parking analysis so that staff can give an accurate fee recommendation. However, the City is in process of adopting a Zoning Ordinance (the RFP has already been released) and staff believes the zoning code should be completed so that the new fees are not set in a vacuum.

The item was placed back on the agenda in April. Before that meeting, I spoke to members of the City Council who wished to reduce all in lieu fees 50% as opposed to suspending the fee.

Planning requests the fees be reduced by 50% from the adoption date of the Comprehensive Plan, November 2025 until January 2027. This is structured to (1) provide notice to developers of the fee moving forward despite the conflict of the comprehensive plan and the current zoning ordinance and (2) guide development that fell within the window so that they can proceed. The fee becomes due to the City upon signature of the resolution and before occupancy.

Analysis of the Issue

Currently, the City has developers that are required to pay parking in lieu fees based on the existing zoning code. Attached is the adopted fee program requirement, §267.40 attachment 3.1 The fee requires, for multi-residential users, two parking spots per dwelling unit. It does not differentiate based on location or size. Mount Vernon is unique in requiring a blanket provision of two spaces for all dwelling units,



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regardless of size. While this is typically not an issue for single-family or two-family homes, almost every multi-family development proposal requires a parking variance unless the project is a large, new construction building with a self-contained garage. This oddity can be expressed in an extreme: a studio apartment (where the average occupancy is 1.5 people) would need two parking spots, even in a transit-oriented development area where the resident is more likely to be dependent on public transportation.

Additionally, there has been inconsistent enforcement of these fees, creating issues of across-the-board fairness with who these fees are applied to, delays in land use board decisions, and placing undue burden on small to medium-sized property owners who do not have the means nor wherewithal to cover these fees.

This discussion was shaped by a specific project: 420 North Terrace Avenue. The project consists of an approved market-rate 12 unit building that took two years to get through the Zoning Board of Appeals with some enmity. The project is providing 12 parking spaces, one for each unit regardless of size of the unit. Because the current code requires 2 parking spaces per unit, the development was 12 spaces short required the developer to pay \$9,000 per parking space not provided. This building has 7-one-bedroom units and 5-two-bedroom units.

This site currently pays \$11,000 in property taxes and will increase to \$35,000 after a \$1 million estimated construction project. The current parking fees required are \$109,000 or more than 10% of construction making it difficult for the Developer on this small project to receive construction funding. After review, the Staff believes there is a bigger policy issue to be considered: \$24,000 of property tax increment will not be collected if this project cannot be constructed. The 50% rate will create a fee of \$54,500 and will hopefully be low enough to allow the developer to get financing.

As a policy matter, the City wishes to encourage market rate housing units of all sizes to create fair housing choice. Some potential residents prefer small buildings over large buildings and this 12-unit building filled a very specific niche. Mount Vernon has committed to fair housing choice as part of the Consolidated Plan submitted to HUD and to comply with the Fair Housing Act of 1964 *et al.* Choice includes residents who may wish to live in smaller rental buildings as much as living in single family homes or large luxury buildings.

Currently, there is inconsistency between the goals in the adopted Comprehensive Plan and the existing, outdated zoning code. To encourage successful development proposals in 2026 that are consistent with the adopted Comprehensive Plan, we respectfully request the City Council consider reducing the fee to make small development financially practicable.

Mount Vernon has parking requirements that are much higher, and less flexible, than neighboring municipalities. Most municipalities have parking ratios that are scaled to the size of a dwelling unit, with two or three-bedroom units requiring more parking per unit, and studio and one-bedroom units requiring less parking per unit.

Equally important, these fees have slowed the land use process down. Parking variances were required in 44 % of the submittals in 2025 to the ZBA. It should also be noted that requiring something that has an unlikely outcome of approval, slows down processing of more complex issues, and deters new development.



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Ultimately, the City's goal (as noted in the Comprehensive Plan) is to reduce parking for transit-supported developments after our new zoning is written. The aim is that Mount Vernon will join our neighbors in requiring lower parking ratios for apartment buildings near transit, which means that many of our current development proposals will ultimately comply with future parking requirements and not need variances (or need to pay fees-in-lieu). However, for these proposals to move forward now (under current zoning), applicants are often looking at parking fees-in-lieu of between \$50k and \$250K, which effectively make their proposals financially unfeasible, especially small development projects under 20 units.

Staff requests that this fee be reduced to a manageable amount though June 2026. 50% reduction of the fee should help small developers move forward while maintaining the fee.

Fiscal Impact

The estimated impact will be a one-time \$54,500, with an offset of \$24,000 per year after construction is completed on 420 N Terrace. 127 S. Terrace, which was approved in February but not yet finalized, and is a reduced fee of \$250.

The City of Mount Vernon remains committed to advancing policies that promote housing opportunity. I respectfully request the City Council's consideration of this legislation and welcome the opportunity to provide additional information as needed.

Sincerely,

JAMES RAUSSE, FAICP, WEDG

cc: Mayor Shawyn Patterson-Howard
Comptroller Darren M. Morton
Malcolm Clark, Chief of Staff

Attachment