



January 26, 2026

City Council  
City Hall  
One Roosevelt Square  
Mount Vernon, NY 10550

## **RE: Supplemental Policy Guidance – Inclusionary Housing Ordinance**

Honorable City Councilmembers,

This memorandum is provided to support your upcoming discussion of the proposed Inclusionary Housing Ordinance by outlining key policy considerations, implementation questions, and administrative elements for Council review. The intent of this memo is to provide additional technical and policy guidance to inform deliberations as the City advances an inclusionary housing framework consistent with the Comprehensive Plan and regional best practices.

### **Affordability Definition and Workforce Focus**

Affordability under the proposed ordinance should be clearly defined to address Mount Vernon’s demonstrated workforce housing need, rather than being limited solely to low or very low-income households. Mount Vernon has a need for workforce housing, making new units accessible to teachers, firefighters, police officers, healthcare workers, and other essential professionals whose incomes often exceed traditional subsidy thresholds but fall short of prevailing market rents. To meet this goal, staff recommends targeting affordability at approximately **80% of Area Median Income (AMI)**, with flexibility not to exceed 120% AMI, ensuring the program remains responsive to local labor market realities while maintaining economic feasibility.

### **Applicability Thresholds and Unit Set-Aside Requirements**

Consistent with the Westchester County Model Ordinance, developments containing **nine (9) or fewer dwelling units would be exempt** from inclusionary requirements. Developments containing **ten (10) or more units** would be subject to the ordinance, with an obligation of **one (1) affordable unit per ten (10) dwelling units**. By way of example: a nine-unit building would have no obligation; a ten-unit building would require one affordable unit; a sixteen-unit building would require two affordable units. This graduated structure is intended to balance housing production with affordability objectives.

### **Key Implementation Questions for Council Consideration**

To ensure clarity and predictability for applicants and staff, the following policy decisions require Council direction:

- **Program Start Date:** Determination of whether inclusionary obligations vest at land use approval (e.g., site plan or special permit approval) or at building permit issuance.
- **Fee-in-Lieu Framework:** While a specific percentage has been removed from what was proposed in the referral letter, Council should consider whether a fee-in-lieu option should be authorized as an alternative compliance mechanism.
- **Estimated Per-Unit Contribution:** Based on current market conditions and construction costs, staff estimates that a typical market-rate unit ranges from approximately **\$500,000 to \$700,000**, suggesting a potential **buy-down value of \$300,000 to \$350,000 per affordable unit** for fee-in-lieu or off-site compliance purposes.
- **Unit Buy-Down Limits:** Consideration should be given to establishing a cap on the number of units eligible for buy-down or fee-in-lieu to preserve on-site affordability outcomes.



### **Affordable Housing Trust Fund Governance**

To effectively administer funds generated under the ordinance, legislation should establish a Mount Vernon Affordable Housing Trust Fund Board responsible for oversight, policy guidance, and implementation. The Board shall consist of five (5) voting members: the Mayor or designee; the Commissioner of Planning and Development or designee; the Commissioner of the Buildings Department or designee; the President of the City Council or designee; and the President Pro Tem of the City Council or designee. The Board's responsibilities would include recommending funding priorities, reviewing developer contributions and affordability proposals, ensuring compliance with ordinance requirements, and advancing best practices consistent with regional housing goals and the HUD-required Consolidated Plan.

### **Market Growth and Affirmative Marketing Requirements**

With the recent completion of the City's Comprehensive Plan, Mount Vernon is well-positioned to attract significant new housing investment, including market-rate and luxury development. The proposed ordinance ensures that the workforce supporting the City's economy has meaningful opportunities to live in these new developments. To achieve this objective, the ordinance should require robust affirmative marketing plans to ensure affordable units are widely advertised, transparently administered, and accessible to eligible residents, consistent with fair housing principles and County guidelines.

### **Density Bonuses and Community Benefit Incentives**

At the City's discretion, and subject to standards established in the Comprehensive Plan, developers may be eligible for density or height bonuses in exchange for providing off-site civic improvements or community benefits beyond those necessitated by the project itself. Eligible actions may include:

- A. **Provision, Renovation, or Rehabilitation of Public Open Space**
- B. **Historic Preservation** of structures with cultural, architectural, or historical significance
- C. **Brownfield or Derelict Property Remediation**
- D. **Contribution to Non-Site Related Infrastructure Improvements**, including streets, utilities, and storm or sanitary sewer improvements
- E. **Streetscape Improvements**, including pedestrian, bicycle, and transit amenities
- F. **Sustainability and Resiliency Measures**, including green building certification or net-zero strategies
- G. **Provision of Public Artwork** reflecting Mount Vernon's culture and heritage
- H. **Provision of Housing for Persons with Disabilities**, exceeding minimum federal accessibility requirements
- I. **Provision of Workforce Housing** at 15% of total units underwritten at a maximum of 80% of Area Median Income, with flexibility not to exceed 120% of Area Median Income

### **Fee-in-Lieu Option and Use of Funds**

Alternatively, developers may satisfy inclusionary obligations through a fee-in-lieu contribution to the City's Affordable Housing Trust Fund, if authorized by Council. This approach is consistent with practices in Yonkers and White Plains, where fee-in-lieu mechanisms have generated flexible resources while preserving development feasibility. Funds generated may be used for a range of housing initiatives, including down payment and closing cost assistance for first-time homebuyers, preservation of existing affordable housing, gap financing for mixed-income development, rehabilitation of aging housing stock, and targeted workforce and senior housing programs. The Department of Planning and Community Development stands ready to provide additional analysis, financial modeling, or draft language at Council's request as deliberations continue.



**Department of Planning and  
Community Development**  
ONE ROOSEVELT SQUARE  
MOUNT VERNON, NEW YORK 10550  
PHONE: (914) 840-4029

**Mayor Shawyn Patterson-Howard**

**James Rausse, FAICP**  
Commissioner

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Sincerely,

JAMES RAUSSE, FAICP

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