

August 9, 2024

Village of Mamaroneck
Board of Trustees
123 Mamaroneck Avenue
Mamaroneck, NY 10543

Re: RFP: Hunter Tier Housing Development – Revised Proposal

Dear Members of the Board:

Thank you for the opportunity to provide a revised proposal for the Hunter Tier Housing Development. BRP Development Partners ("BRP") and Hyperion Group ("Hyperion"), together Luna Collective LLC ("Luna"), are pleased to present to you the revisions we are prepared to make to our project proposal based on discussions with the Village Attorney and third-party consultants in July 2024.

The original design for the project consisted of a six-story building spanning two land parcels: the Hunter Tier RFP lot and the adjacent lot at 136 Palmer Avenue. The proposed building contained parking on the ground floor as well as a partial second floor, and residential rental units on the balance of the second floor as well as on floors three through six. The building program consisted of 188 units of high-quality affordable housing and 187 parking spaces. The housing contemplated a range of affordability levels from 30% of AMI to 120% of AMI and a range of unit sizes from studios to three bedrooms. Without a waiver, the parking program consisted of 154 spaces for residential use and 33 spaces for municipal and public use. Finally, the building offered 8,000 SF of recreational space that could be programmed for residential amenity uses and/or community uses.

Following discussion with the Village Attorney and third-party consultants and careful consideration of the communicated Village priorities, Luna proposes to modify the building program in several key areas. The modified proposal for Luna shall consist of a similar six-story building spanning the two land parcels, however the building will now contain two floors of above-grade parking topped with four floors of mixed-income (combined affordable, middle income and market rate) rental units. This modified proposal, with a mix of residents at a range of income levels including market rate, is more reflective of modern and thoughtful urban planning, and aims to better address Village priorities without adding extra bulk or additional floors to the proposed building. Finally, under this modified proposal, Luna proposes to purchase the Hunter Tier lot from the Village of Mamaroneck for \$1,500,000.

A summary of the changes to our proposal can be found below, followed by further details.

	Original Proposal	Revised Proposal
Floors Above Grade	6	6
Floors Below Grade	0	0
Unit Count	188	176
Studios	64	72
1BR	78	72
2BR	37	32
3BR	9	0
Units 30% - 80% AMI	131	62
Units 80% - 120% AMI	56	26
Market Rate Units (Incl. Super's Unit)	1	88
Total Parking Spaces	187	280
Residential Parking	154	178
Public Parking	33	150+
Amenity / Community Space	8,000 SF	8,000 SF
Purchase Price to Village	\$0	\$1,500,000
Developer Equity	\$0	\$15,050,591

With shared parking plan

Unit Mix: The modified proposal contains four floors of residential units rather than four and a half. In order to preserve economic viability, Luna proposes a slightly denser unit mix, with more studio and one-bedroom units in lieu of three-bedroom units. The modified unit mix contains 72 studios, 72 one-bedroom units and 32 two-bedroom units, for a total of 176 residential units. Luna remains open to adjusting this unit mix in response to specific Village needs.

Parking: In response to a desire for more public parking to replace the Hunter Tier parking lot capacity, we propose to build two full floors of above-grade parking, for an estimated total of 280 parking spaces (subject to zoning code verification). Assuming a 1-to-1 parking ratio for residential units, and with a shared parking plan typical in modern municipal lots, we expect to be able to provide over 150 parking spaces for municipal and public use. Even without shared parking Luna would provide 104 public spaces over and above the 176 parking spaces for residential tenants. Luna looks forward to engaging a transportation engineer to finalize the shared parking plan.

Recreational Space and Community Facility: Luna will continue to provide approximately 8,000 SF of recreational space that can be programmed for residential amenity uses and/or community uses.

Flooding: In an effort to minimize flooding impacts on the building and surrounding areas and to preserve the cost efficiency of the project, it was determined that below-grade parking would not be feasible for this project. The current design, with structures

only above-grade and implementing wet & dry floodproofing strategies, was determined to best mitigate current flooding concerns.

Affordability: If this project remained fully affordable as initially proposed, the reduction in residential units and increase in parking spaces provided would make the project financially infeasible. To ensure that the project remains viable, Luna proposes a mixed income program in lieu of an all-affordable project, assuming an appropriate zoning amendment. The new building would be 50% market rate and 50% regulated, of which roughly 70% of the regulated units would be affordable to households earning at or below 80% of AMI, and roughly 30% of the regulated units affordable to middle-income households earning between 80% and 120% of AMI. This translates to 62 affordable units, 26 middle-income units, and 87 market rate units (plus 1 super's unit). A chart describing the updated affordability mix can be found below. Luna remains open to adjusting this affordability mix in response to specific Village needs.

	30% of AMI	50% of AMI	60% of AMI	80% of AMI	100% of AMI	110% of AMI	120% of AMI	Market Rate	Super's Unit	Total
Studio	6	6	14	10	-	-	-	36	-	72
1BR	3	2	12	7	6	6	-	36	-	72
2BR	0	1	1	0	3	-	11	15	1	32
3BR	-	-	-	-	-	-	-	-	-	0
Total	9	9	27	17	9	6	11	87	1	176
50%								50%		
70%				30%						

Purchase Price: As part of the modified building proposal, Luna proposes to purchase the Hunter Tier lot from the Village of Mamaroneck for \$1,500,000.

Financing: The financing strategy for the proposed project includes a significant change: Luna and its financial partners will now contribute \$15.1 million towards the project's execution. The prior proposal contemplated funding provided entirely through public sources; this modified financing strategy shows Luna's financial commitment to the long term success of the project and the Village of Mamaroneck. An updated balanced Sources & Uses breakdown is provided below.

Construction Sources	LTC	Amount
First Mortgage	53.81%	\$58,834,201
Volume Cap	14.43%	\$15,774,986
HCR NCP	7.94%	\$8,680,000
HCR MIHP	4.76%	\$5,200,000
Tax Credit Equity	1.93%	\$2,113,154
Deferred Fee	2.65%	\$2,901,215
Deferred Reserves	0.16%	\$176,000
Construction Interest: AFR	0.56%	\$615,195
Equity	13.76%	\$15,050,591
GRAND TOTAL	100.00%	\$109,345,342

Construction Uses	LTC	Amount
Acquisition	8.23%	\$9,000,000
Hard Costs	65.91%	\$72,072,106
Soft Costs	13.00%	\$14,214,260
Financing Fees	12.86%	\$14,058,975
GRAND TOTAL	100.00%	\$109,345,342

Permanent Sources	LTC	Amount
Freddie Mac Tax Exempt Loan	50.35%	\$55,057,814
HCR NCP	7.94%	\$8,680,000
HCR MIHP	4.76%	\$5,200,000
Tax Credit Equity	9.66%	\$10,565,770
Deferred Fee	2.65%	\$2,901,215
Return of Freddie Fee	1.17%	\$1,274,756
Construction Interest: AFR	0.56%	\$615,195
ESD Momentum Fund Grant	9.15%	\$10,000,000
Equity	13.76%	\$15,050,591
GRAND TOTAL	100.00%	\$109,345,342

Interim Parking: Unfortunately, despite the combined lot size of Hunter Tier and 136 Palmer Avenue, it would not be feasible to maintain parking on site for the duration of the construction operations. Primarily, it is not possible to maintain occupancy or operations on the same lot as an active construction site – and a merged vacant lot is a prerequisite for gaining plan approval and permits. Luna is open to working with the Village to locate an alternate space for temporary parking during construction and exploring valet parking services to increase capacity and/or shuttle bus services to transport riders to the Village center.

Luna remains fully committed to working collaboratively with the Village of Mamaroneck throughout the planning process on this important project. Our extensive development experience and control of the lot at 136 Palmer Ave gives us the ability to provide more housing, to a wider range of income levels, and more public

parking than anyone else. We are offering flexibility in the development program to meet the needs of the community and bring this transformative project in the center of Mamaroneck to life, working together in a true public-private partnership. We invite any additional questions on the revised proposal and look forward to the opportunity to discuss further. Thank you for your consideration.

Sincerely,



Meredith Marshall
Co-Founder and Managing Partner
BRP Development Partners



Robert Vecsler
Chief Executive Officer
Hyperion Group