

# TOWN OF SOUTHAMPTON

**Department of Land Management**  
**Long Range Planning Division**  
116 HAMPTON ROAD  
SOUTHAMPTON, NY 11968



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**JAY SCHNEIDERMAN**  
TOWN SUPERVISOR

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**To:** Jay Schneiderman, Supervisor  
Members of the Town Board

**From:** Kyle P. Collins, AICP Town Planning & Development Administrator

**Cc:** James Burke, Town Attorney  
Sundy Schermeyer, Town Clerk  
Kathleen Murray, Deputy Town Attorney

**Date:** September 20, 2016

**Re:** Speonk Commons Zone Change Petition

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Related to the above referenced project, following the public work session the Department of Land Management is required to issue a summary report as provided in §330-185 C (1). Please be advised that we will be going over this report in detail for the Board at the worksession on September 22, 2016.

Please feel free to contact me with any questions or concerns.

**I. Existing & Proposed Conditions**



**A. The Subject Property**

The subject parcel is approximately 4.27 acres (186,405 sq. ft.) and is situated on the west side of North Phillips Avenue approximately 180 ft. north of Montauk Highway. The parcel has approximately 320 ft. of frontage along North Phillips Avenue and is adjacent to the Speonk Train Station.

**B. Current Zoning & Land Use**

The subject parcels are presently split zoned Village Business (VB) in the front and Residential (R-20) in the rear. The amount of land currently in the VB zone is approximately 63,122 sq. ft. and in R-20 is 123,285 sq. ft. Below is an aerial view of the current zoning on site and in the vicinity.



The site contains a now dilapidated building that was historically known as the “Fordham House” and at one point was a maternity hospital (Hoag Hospital) where many locals were born in the mid to late 1920’s. It was also used by the late Mrs. Elizabeth (Hoag) Kropp and her husband as a boarding house for the crew of the Long Island Railroad, so they would be near the station early in the morning when the first train pulled out<sup>1</sup>.



“Cottage of W.H. Fordham, Speonk”

<sup>1</sup> Historical Profiles of Eastport, Speonk/Remsenburg, Westhampton (Michne 2004)



Current views of property and streetscape traversing north on North Phillips Avenue



This building appears on the AKRF 2014 Historic Resources Survey (RS-18), which states that it is a late 19<sup>th</sup> century Queen Anne-style structure with cross gables and a turret. The report further states that *“the historic integrity of this structure is severely compromised due to the modern replacement of siding and windows; however, due to its history, the structure still may qualify for landmark status despite its integrity issues”* (Landmark eligible under Town Criteria A and C).

The certificate of occupancy indicates that there were ten (10) rental apartments in the two-story Fordham building as well as five (5) one-story dwellings on the parcel which were also used as rentals over the years. There are two pre-existing non-conforming outparcels that are not included in the proposal (SCTM No. 900-350-2-19 & 20) both approximately 7,450 sq. ft. in size and each developed with one-story single family dwellings.

**C. Proposed Zoning & Land Use**

Georgica Green Ventures, LLC and the Town of Southampton Housing Authority as co-applicants are seeking a change of zone on the split-zoned parcel so that the Village Business (VB) portion would remain but move the zoning line so that it is effectively reduced by approximately 1 acre (resulting in 30,944 sq. ft. of land area zoned as VB) and the Residential (R-20) portion is proposed to change to Multi-Family Residential (MF-44) and with the shift of the zoning boundary the area designated as MF-44 would increase by 1 acre (resulting in 150,644 sq. ft. of land area zoned MF-44). The applicants are further requesting to utilize the provisions of §330-8 to increase the permitted density on the parcel from 6 units per acre as permitted in MF-44 to 12 units/acre as they would be providing 100% affordable rental housing.

The development plan submitted proposes a total of 43,258 sq. ft. of building area as follows:

- Two (2) mixed-use (commercial/residential) two-story buildings in the reduced VB portion of the site:
  - Building One: 7,532 sq. ft. with 3,882 sq. ft. of commercial space on the first floor and eight (8) studio apartments on the second floor
  - Building Two: 4,234 sq. ft. with community room, community laundry, management office on first floor (2,932 sq. ft.) and six (6) studio apartments on the second floor
- Thirty-seven (37) units within three (3) Two-story residential buildings
  - Building Three: 6,545 sq. ft. with six (6) 1 bedroom units and (2) 2 bedroom units for a total of eight (8) apartments
  - Building Four: 12,950 sq. ft. with two (2) Studio units, six (6) 1 bedroom units and six (6) two-bedroom units for a total of fourteen (14) units
  - Building Five: 11,997 sq. ft. with seven (7) 1 bedroom units and eight (8) two-bedroom units for a total of fifteen (15) units
- 103 On-site Parking spaces including 7 handicap-accessible spaces and 13 additional on-street parking spaces
- Wastewater Treatment Facility (“BESST”)

The proposed income range to qualify for rental and the monthly rental range is as follows:

Unit Type	# of Units	Income Range	Monthly Rent
Studio	10	\$37,200-\$57,420	\$930-\$1,434
1 Bedroom	25	\$39,850-\$71,730	\$996-\$1,500
2 Bedroom	16	\$47,800-\$86,040	\$1,195-\$1,750

## II. Pre-application Worksession

The Town Board held a pre-application hearing on July 28, 2016. Public comment was generally supportive toward the idea of providing some amount of affordable housing in the area, but concerns were expressed about this particular project in terms of its proposed density/scale, the proposed rental unit structure vs. units offered for individual ownership, as well concerns related to potential for traffic/congestion, school district impacts, community character and tax burden on the community as the development would be tax exempt (noting the applicant has stated they would commit to an annual 'payment in lieu of taxes' (PILOT) of a specified amount to be determined). Some members of the community also expressed interest in alternatives to this specific development plan. Emails and other forms of written comment related to these issues have been submitted to the Town Council and Town Clerk.

Additional questions from the Town Board at the worksession were related to the as of right yield on the parcel, the actual income of persons in the Speonk hamlet that these rentals are targeted toward, and how the PILOT payments would be structured in relation to the commercial uses proposed on the VB portion of the site, and how the pre-existing non-conforming yield compares to the as of right yield. The applicant has addressed these issues as these responses are attached as an addendum at the end of this report.

## III. Planning Analysis

### (a) Information on requested zoning districts

**Village Business (VB)** is the existing zoning on the front portion of the site and in the vicinity of North Phillips Avenue. Although Village Business zoning does not have a minimum lot area requirement and does not have a maximum number of uses permitted, there are dimensional regulations (height, setback) associated with the district. Other applicable portions of the Zoning Code that are relevant to this portion of the application are the parking standards found in §330-94 and 95 and the requirements for 'Apartments in Certain Business Districts' found in §330-158 as well as the minimum floor area requirements for apartments within §330-105C.

**Multi-Family 44,000 (MF-44)** is a multi-family zoning classification that is 'landed' in certain areas upon petition to the Town Board based on the requirements within §330-6 and dimensional setbacks §330-34.

The **Multi-Family Planned Residential District (MFPRD)** is not proposed here but similar to MF44 in that it is a floating zone. The MFPRD permits 6 units per acre for multi-family dwellings (and 8 units per building), and 1 unit per 15,000 square feet for single-family dwellings. An MFPRD development must be within ½-mile of the boundary of an existing village business district or shopping center business district. This zoning requires that at least 25 percent of the units must be set aside for families below the moderate-income level. The standards in the Code for this district may be used to inform the MF44 analysis.

**Section §330-8** was enacted as a type of overlay that may be applied on a property in order to address the limited supply of standard housing available at purchase prices or rentals

commensurate with the incomes of low- or lower-middle incomes residents in the Southampton Community. The stated purpose of these provisions is to:

*Implement the Town of Southampton Master Plan of 1970 community planning objectives with reference to encouraging a wide variety of housing types and, more particularly, to help make possible purchase and rental costs in keeping with the financial means of the Town's residents who have low or lower-middle incomes.*

*In pursuit of this purpose, the Town Board of the Town of Southampton may from time to time authorize by local law an increase in residential development density where it shall be found that a bona fide nonprofit corporation guarantees to develop and maintain the resultant housing at a purchase price or rental cost within the low- or lower-middle-income housing market in accordance with a contractual agreement between said nonprofit corporation and the Town and further, that such authorization shall be found to be beneficial to the Town through serving to implement the Master Plan of 1970.*

**(b) Site Context**

The parcel is located immediately adjacent to the Long Island Railroad Speonk Train Station and within walking distance to Montauk Highway and the main shopping center “Village Square” as well as the post office and other businesses. North Phillips Avenue is a north/south connector road to Old Country Road, which has many scenic attributes. The surrounding parcels are generally developed with single family residential uses as well as some limited commercial (‘Scales & Tails’ Country Market that was once Sapiens Butcher Shop) across the street. There are two large, vacant parcels to the north of the Train Station: 85 N. Phillips Ave (7.1 acres) and 95 N. Phillips Ave, the former Feather Factory related to the historic Duck farming industry in Speonk (14.8 acres) which have also been discussed for zoning changes in recent years.

Higher density residential is generally compatible and recommended in Hamlet Center locations and in relation to the train (transit-oriented). Transit Oriented Development (TOD) is a planning concept that supports the creation of compact, walkable, mixed-use communities around train stations. This is an alternative that provides choice not only in transportation modes but also, more fundamentally, in lifestyle. Transit oriented development is also a major solution to the serious and growing problems of climate change and global energy security by creating walkable communities that greatly reduce the need for driving and energy consumption. This type of living arrangement can reduce driving by up to 85%.

In terms of context, new additions to the existing fabric of a community must make sense not only with regard to the street pattern, the typical scale of buildings, and the prevailing land uses, but they also must be inserted sensitively into the surrounding context and pattern that defines this community’s special place in the world (Arendt 1999). The proposal to develop this parcel with mixed use/higher density residential will need to be considered based on this fundamental precept.

**(c) Comprehensive Plan Zoning Recommendations**

The 1970 Master Plan indicates that the term ‘Village Business’ describes what are essentially retail shopping and personal services facilities. The Plan states that *“in the traditional hamlet centers, Village Business areas must be attractive and emphasize their unique qualities. Historic buildings and landmarks should be considered an important part of this, perhaps as focal points”*.

The 1970 Master Plan also recognized there would be a need for affordable housing.

Following the 1970 Master Plan, the Town addressed specific hamlet areas through Master Plan Updates, including one for the hamlets of Speonk Remsenburg in 1992. This Hamlet Study addressed the then existing conditions of land use, soils, historical profile, business and community profile, and community and cultural facilities. This planning effort also involved citizen participation through community surveys. From such information gathering, the Hamlet Study set forth the following community goals:

- **Character of Development** - Preserve the character of Speonk and Remsenburg. The residential neighborhoods, woodlands, fresh and saltwater wetlands, remaining farms and nurseries, scenic vistas, Moriches Bay, East Pond, East River and Speonk River, must be preserved from incongruent development;
- **Scale of the Hamlet Center** - Concentrate retail development at the existing center area;
- **Groundwater Supply** - Maintain and improve the existing levels of groundwater quality in the Pine Barrens, and prevent excessive usage of groundwater for inappropriate and nonessential uses;
- **Residential Development** - Maintain the existing residential character of Speonk and Remsenburg;
- **Natural and Recreational Resources** - Preserve and protect in perpetuity those natural resources which provide ecological and recreational benefits to the community; and
- **Economic Base** - Foster small community-based employment opportunities compatible with the natural environment. Development recommendations set forth in this Hamlet Study included the use of cluster development to encourage the preservation of open space, and the provision of higher density development near the hamlet centers, generally maintaining low densities in outlying areas.

With these goals in mind, the Study recommended an optimum plan, which “depicts the hamlets at full development with all essential recommendations in place, except for the future recreational sites.” Under this optimum plan, it was proposed that:

- Retail and business uses remain around the existing Village Business Zoning District located at Phillips Avenue and Montauk Highway.
- Residential development, south of Montauk Highway be the established and appropriate land use pattern.
- Existing zoning densities would remain for the area between Montauk Highway and Old Country Road. Due to the long, narrow shape of the lots north of Old Country Road, cluster development would be more appropriate.

The 1999 Comprehensive Plan Update (“The Update”) later articulated the overall concept for Speonk/Remsenburg as a “Country Station” theme for a small (and non-tourist based) hamlet center, along Phillips Avenue from Montauk Highway near the Long Island Railroad train station.

The Update describes the Market and Planning Considerations of that time as follows:

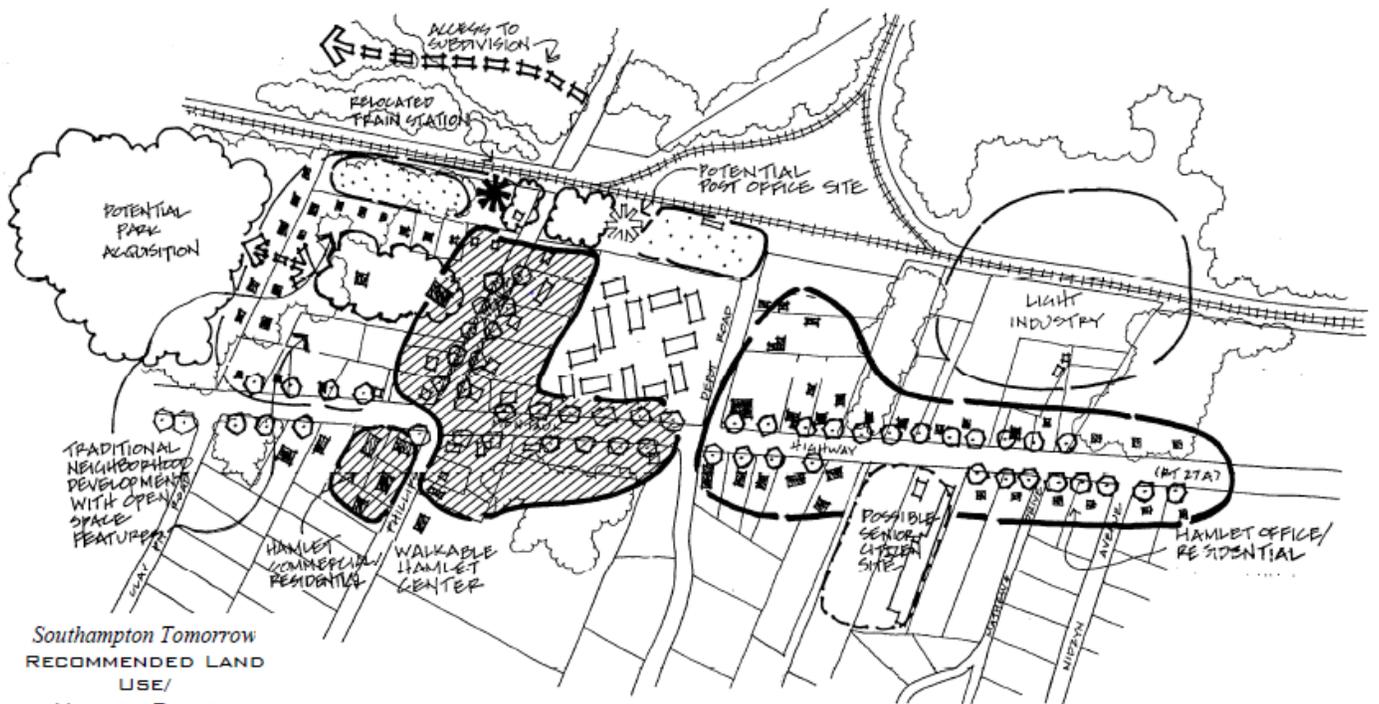
- The number of housing units is increasing, not only due to new construction but also conversions of seasonal homes to year-round residences. This means added support for a small neighborhood center to serve the Speonk/Remsenburg community.
- Montauk Highway visibility or access is essential to the success of retail development. Development, left to its own devices, will spread out on this arterial.
- However, Speonk is the last train stop in this LIRR fare zone, with a greater frequency of trains than the stations to the east. In the future, this could create the potential to “pull” some retail development onto that part of Phillips Avenue between Montauk Highway and the train station.
- The local school-age population is growing. There is a need to promote tax ratable development.
- The Long Island Railroad (LIRR) is now relocating its train station platforms but not its station building or parking from the east to the west side of Phillips Avenue.
- The Town and community completed a hamlet center plan in the early 1990s that still provides the foundation for planning in this area.

Objectives for Speonk in the Update are as follows:

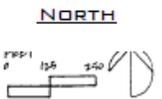
- Concentrate retail development to create a pedestrian oriented “Main Street” ambiance.
- Use the railroad, post office, “town greens” and new development as anchors for the center, and to foster a sense of community.

## Speonk Commons: Pre-Submission Report

- Pursue “traditional neighborhood design” in and around the hamlet center.
- Contain commercial sprawl. Enhance scenic views.



Southampton Tomorrow  
 RECOMMENDED LAND  
 USE/  
 HAMLET DESIGN  
 CONCEPT  
*Speonk/Remsenberg*  
 Town of Southampton, NY:  
 Comprehensive Plan Update, 1998

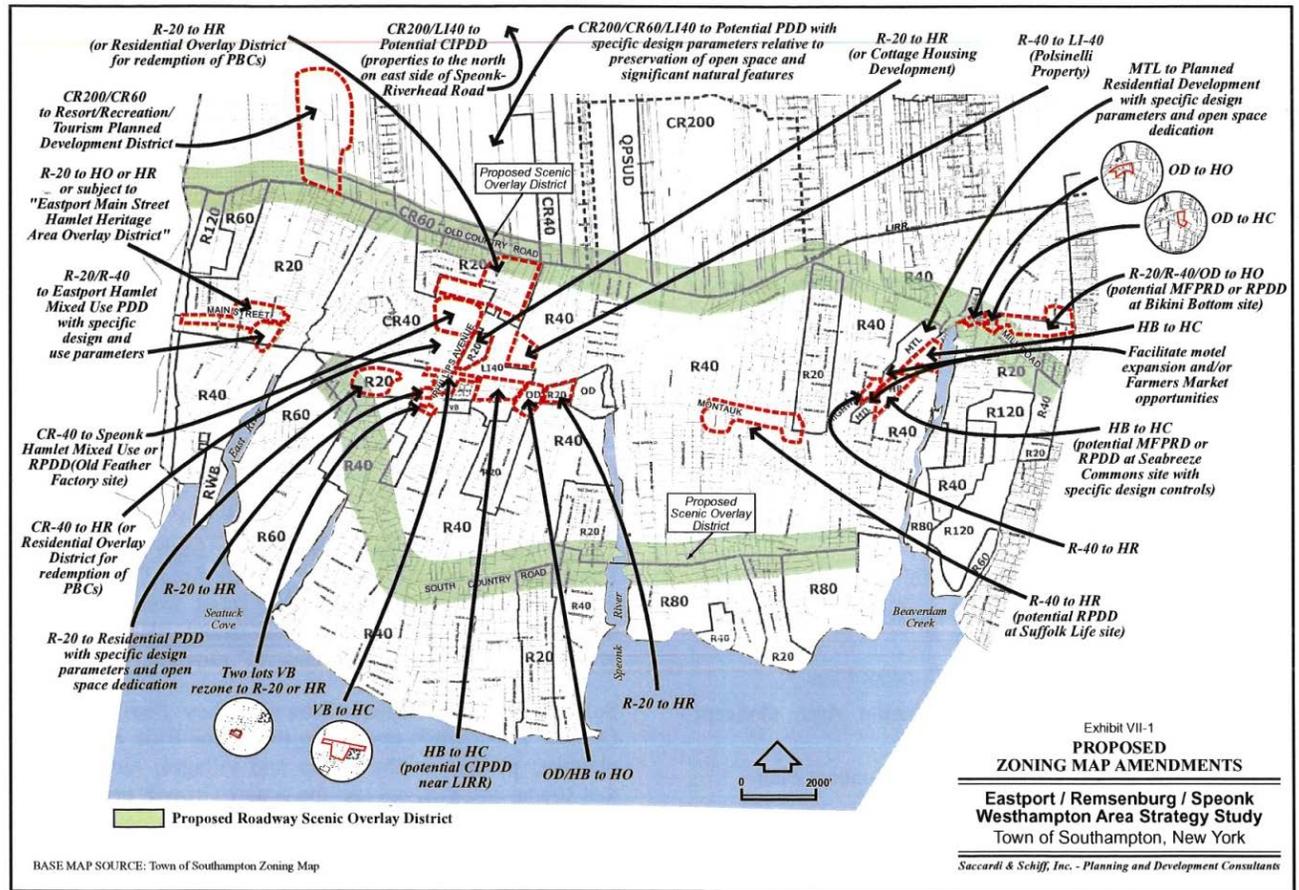


Subsequent to the 1999 Update, in 2004 the Town completed the ‘Eastport, Speonk, Remsenburg, Westhampton Area Study’. The intent of the Area Study was to set forth preservation priorities, planned development recommendations, and zoning and land use strategies based on the analysis of previously completed planning studies, existing conditions (e.g., land use and zoning, environmental resources, existing structures, and community facilities), demographic trends and community input. The subject parcel is included in the recommendations for Hamlet Commercial (HC) designations:

## Speonk Commons: Pre-Submission Report

- **Speonk:** North side of Montauk Highway from first property west of North Phillips Avenue to Garden Center across from Zima Tires (both sides of the existing MF-44 zone comprising Hampton Villas)
- **Speonk:** North Phillips Avenue – both sides up to LIRR (except for both corner lots on Montauk Highway)

### Detailed Hamlet Area Concept Plan Proposals/Design and Streetscape/Resource Protection Strategies



The Study further describes the benefit of changing to HO and HC zoning.

During the course of this Area Study, careful consideration has been given to review the specific areas slated for zoning classification of HO/HC, including the Town Zoning Code’s “Declaration of Purposes”, Section 330-3, which includes objectives such as “To protect the established character and social and economic well-being of both private and public property”, “To promote, in the public interest, the utilization of land and buildings for the purposes for which it is most appropriate”, “To provide housing sites for residents of the community compatible with their economic means”, “To eliminate

non-conforming uses gradually,” and “To conserve and reasonably protect the natural scenic beauty and cultural and historic resources of the Town and its environs.” Within the Legislative Findings adopted as part of the Local Law to establish the HO/HC zoning classifications, the following specific strategy was outlined:

*The use of Hamlet Office/Residential (HO) and Hamlet Commercial/Residential (HC) zoning on the periphery of hamlet and village centers throughout the Town, is intended to provide a transition between these centers and other Highway Business (HB), Shopping Center Business (SCB) and especially residential zones. The Town should also provide greater flexibility with regard to use, but with greater control of appearance and design.*

Hamlet Office/Hamlet Commercial zoning helps to achieve affordable multi-unit housing in hamlet centers and transition areas in close proximity to a hamlet center in a manner that is compatible with the area’s image of a “small town” and resort community, by encouraging residential scale improvements, with front yard set-backs, other design elements and occupancy controls. HO/HC zoning promotes a mixed-use zone with office and commercial uses interspersed with accessory apartments, two-family, three-family, and four-family homes (achieved through TDRs and/or in connection with moderate income housing opportunities). These concepts are consistent with the concepts first identified in the 1970 Master Plan, relative to location, access to transportation facilities and affordability.

In addition, during the course of the Area Study and its associated hearing process, a new zoning classification was suggested: Hamlet Residential (HR). As the legislative findings of HO and HC pointed out that the intent of these zoning districts was related to transitional areas within hamlet centers or in proximity to hamlet centers, Hamlet Residential provides the opportunity to consider other areas that are not considered hamlet centers. Hamlet Residential (HR) zoning would entail many of the same characteristics as Hamlet Office Residential (HO) or Hamlet Commercial/Residential (HC), however the focus would be on facilitating residential uses rather than encouraging a potential proliferation of new commercial uses or office uses. Hamlet Residential would also provide opportunities for housing for persons of moderate income in a manner that melds well with the established character and social and economic well-being of existing neighborhoods, such as by permitting not only two-family, three-family and four-family homes under certain conditions, but also a new land use by Special Exception in the form of an Historic Rental Apartment House (See Chapter VI, Issues and Opportunities).

Further, Hamlet Residential (HR) zoning could also be considered as a new Residential Overlay District which, upon zoning petition, could be coupled with historic preservation requirements and other conditions, thereby providing the community with the benefit of conserving historic hamlet heritage resources through the provisions of financial incentives to property owners (i.e., additional income from rental apartments, professional office use, or other mixed uses).

**Note: to date, the HR district has not been enacted by the Town Board**

Areas in Speonk recommended should this legislation be enacted: North Phillips Avenue, west side excluding the northwest corner of Montauk Highway and up to the properties with a welding shop, located south of the Feather Factory. North Phillips, east side the area currently zoned R-20, between the railroad tracks and the industrial subdivision, as well as the area zoned R- 20 north of the industrial subdivision and abutting Old Country Road.

**(d) Yield Analysis**

The applicant submitted an as of right yield plan for the VB and R-20 zones. The R-20 portion of the site could be subdivided into five (5) conforming lots with access terminating into a cul-de-sac. This is the straight as of right yield without any incentives or bonuses. The Long Island Workforce Housing Act and Chapter 216 of the Town Code requires a density bonus of 1 additional lot to be constructed on projects with 5 or more lots for the purpose of providing affordable housing; therefore a six (6) lot subdivision with single family homes would comply with the Workforce Housing Act. The applicant also submitted a yield scenario based on the density incentive provisions found in §330-9 C & D. Based on this section of the Code, the plan shows an increase of 2 lots to a total yield of 7 lots, which is also realistic in terms of Town zoning and fulfills the requirement of the LI Workforce Housing Act but as it is within the Groundwater Management Zone VI (40,000 sq. ft. minimum lots) the manner of wastewater treatment would have to be approved by the Suffolk County Health Department.

In the Village Business portion of the site, both yield plans shows a 9,467 'footprint', which is a reference to the first floor. Because it is a 2 story building it means the building would actually be a total of 18,934 sq. ft. The plan also indicates ten (10) apartment units on the second floor. Based on the number of on-site parking spaces shown on the plan (44), a 7,920 sq. ft. building (x 2 stories= 15,840 total sq. ft.) with six (6) two-bedroom units<sup>2</sup> is the more realistic as of right yield on the VB portion. This is due to the fact that the correct parking calculation is 1 space per every 180 square feet of retail space and §330-158 only allows two apartments per building (although this can be increased for the purpose of providing affordable housing- but in that case §330-158E limits the total number of apartment units to one per every 1,250 sq. ft. of floor area on the first floor which in this scenario would equate to 6).

Notwithstanding, it is recognized that the site may have grandfathered rights associated with the pre-existing, non-conforming uses on the site, namely:

1. The portion of the property within the R-20 district contains multiple dwellings, where only one is permitted on a single and separate lot;
2. The property contains multi-family housing within the Village Business (VB) zoning district, which is not a permitted use; and

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<sup>2</sup> There would need to be an increase in parking provided to accommodate the two bedroom residential apartments (2 spaces per unit), the parking would need to be more efficiently laid out and the interior landscaping requirements of §330-99J would have to be met.

3. Two (2) of the single family dwellings within the R-20 District are non-conforming with respect to dimensional setbacks.

The pre-existing status may therefore enable the applicant to request a 50% enlargement or extension of the 15 pre-existing units to the Zoning Board of Appeals pursuant to §330-167B, rendering the potential yield of approximately 22 units on the site.

If the entire site were changed to Hamlet Commercial/Residential (HC) as recommended in the 2004 Area Study, there is a larger range of housing types permitted, such as two- three- and four- family detached buildings. A conservative estimate of the yield would be approximately 18 lots (These zones allow 1 unit or use per 10,000 sq. ft.). The actual yield would have to be confirmed with a yield map as an alternative analysis within the review process if the Board so chooses. It is also noted that within HC the maximum size of an individual building could not exceed 6,000 sq. ft. when providing community benefit units and there could be a mix of uses (commercial and residential). According to §330-9B (2), in the HC zone an applicant could apply for a density incentive increase of up to 50% because of the affordable housing component and this scenario would potentially yield 27 units.

There are other potential alternatives such as allowing for a split zone of VB and HO or HC instead of MF44 in the rear of the site. The yields and potential arrangement could be assessed in the formal review phase as an alternative, if the Board so chooses.

The main public benefit for granting increased density to 12 units per acre within the proposed MF44 District by utilizing a density overlay based on §330-8 is the construction of affordable housing. The 1999 Comprehensive Plan Update lists the following Vision Goals for affordable housing:

*Increase the amount of homeowner and rental affordable housing in the Town, not only for low-moderate income households, but also for working middle-income households that are priced out of the market.*

*Provide and equitably disperse affordable housing in all parts of the town, focusing on hamlet centers where various uses and densities are to be encouraged.*

*Create affordable housing that is in keeping with the historic, architectural and natural qualities of Southampton, and does not stigmatize affordable housing tenants.*

*Leverage private sector financing resources to create affordable housing opportunities.*

The Southampton 400+ Sustainability Plan also confirms the Town's affordable housing goals as follows:

*Encourage and incentivize a variety of affordable housing (both rentals and for sale to include rehabilitation of existing structures for housing stock), especially in Hamlets where it is most scarce.*

*As discussed in the 1999 Comprehensive Plan, any affordable housing plan will consider the needs of the particular hamlet, the appropriateness of the site including all*

*environmental considerations, the proposed development design to accommodate any increased density, and any potentially significant negative impacts to the school district or other special assessment district in which the proposed development is located.*

There are additional references reaching all the way back to the 1970 Master Plan as the provision of safe, affordable housing has been at issue for many years. The 1970 Master Plan provides the following guidance:

*Every effort shall be made to recognize the fact that many people employed within the community and in nearby communities have limited incomes; that there will be households composed of single individuals or couples; and that there will be young and old people as well as middle aged people making up some of the community's households*

*The Master Plan and the related regulations should encourage a wide variety of housing types and purchase or rental costs appropriate for the anticipated population's needs. They should also encourage flexibility and innovation in the planning of housing groups or developments.*

There remains a societal stigma related to the construction of affordable housing as many homeowners believe that their economic interest in their home must be protected by preventing or limiting the construction of lower cost housing in their community. What is at odds with this sentiment is that these units are actually needed by their adult children, seniors and others who already live in the community but have limited incomes. Several studies have shown that high-value, low-poverty, stable suburban neighborhoods are not likely to be adversely affected by relatively small numbers of affordable housing units built nearby (Downs 2004). Despite this, there is still a sense that there is a carrying capacity per parcel and limit within a given Hamlet that is acceptable for affordable housing based in part on a qualitative perception of how much is 'enough' compared to what is permitted under the current zoning.

Quantification of the limitations for this parcel's development will be done in terms of tax burden, school district costs, needed infrastructure and community character and to these issues the applicant has provided information for the Board's consideration. The challenge here is to determine: if the change in zone is one that represents sustainable planning and if so, what is the total number and unit mix that the community feels comfortable with while still enabling a viable project in terms of financing. In this case, the subject site is considered to be blighted and in dire need of redevelopment. To retain the current as-of-right zoning of single family residential adjacent to a train station would seem a missed opportunity to create a pattern of development that is both viable and vibrant. However any change must be designed in such a way that will be embraced by the community because it appeals to their sensibilities and integrates into this areas sense of place.

A potential solution to account for any further increase in density on the subject site is to utilize the transfer of development rights procedures as described within Chapter 244 of the Town Code. The Town currently has banked rights in the Speonk Remsenburg school district that may

be used to offset the density requested on this parcel in exchange for affordable housing. The specifics of this program, how many banked rights are available to transfer, etc. would have to be worked out in the formal application stage if the Board chooses to consider this as an option. This would represent a growth management strategy to channel density and development from sensitive lands in the same school district and instead move it to hamlet centers proximate to transportation and existing infrastructure, which is a basic tenet of smart growth and supported by the Town's Comprehensive Plan.

**(f) State Environmental Quality Review Act (SEQRA)**

If the Town Board elects to consider the application, a detailed analysis will be required, including the assessment of alternatives. Potentially adverse impacts that require additional analysis should the project move forward include but are not limited to the following:

- Watershed and groundwater resources
- The impairment of the character or quality of aesthetic resources or of existing community or neighborhood character by the increase in permitted density
- Existing traffic patterns and carrying capacity of the road system
- School District and Tax Impacts

Other questions have arisen in terms of consistency with Town Studies such as recommendations found within the *Critical Wildlands and Groundwater Protection Plan*. This was a plan prepared by the Town that was not adopted and therefore is not appropriate for use in project evaluation. As part of the SEQRA review, all adopted Town plans will be used for evaluation.

**(g) Preliminary recommendations**

1. §330-6B(1) , related to multiple dwellings in MF44, states the following:

*No more than eight dwelling units shall be permitted in any building which is a multiple dwelling constructed after the effective date of this subsection... No more than 12 dwelling units shall be permitted in any building erected or converted under the provisions of §330-8 for senior citizens as defined herein.*

- On the proposed site plan submitted with the application, buildings 4 & 5 indicate 14 and 15 units each, respectively. This would require reduction to 8 units in order to comply with the requirement as above or reduced to 12 units per building if set aside for seniors.
2. The parking calculation for the retail space in the VB zone should be amended to 1 space per 180 sq. ft. and the parking calculations should be broken down by zoning district to include the number of units and bedroom mix.
  3. The proposed design contains minimal outdoor private space for each unit and minimal green areas around the buildings. A general rule of thumb for sizing a recreation area

would be to provide at least 50 square feet per bedroom. This site is obviously constrained for such an area and therefore the Town Board may wish to require a park fee for the development if the project is approved.

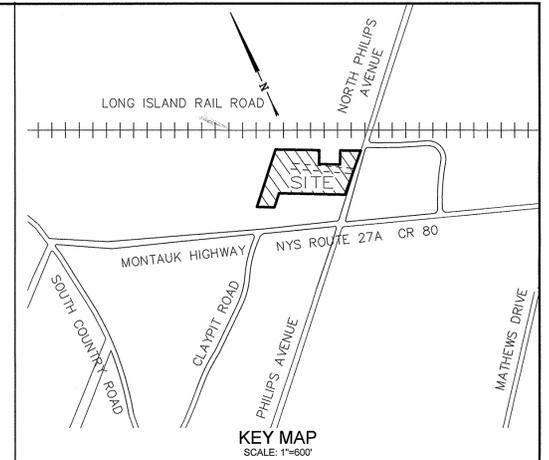
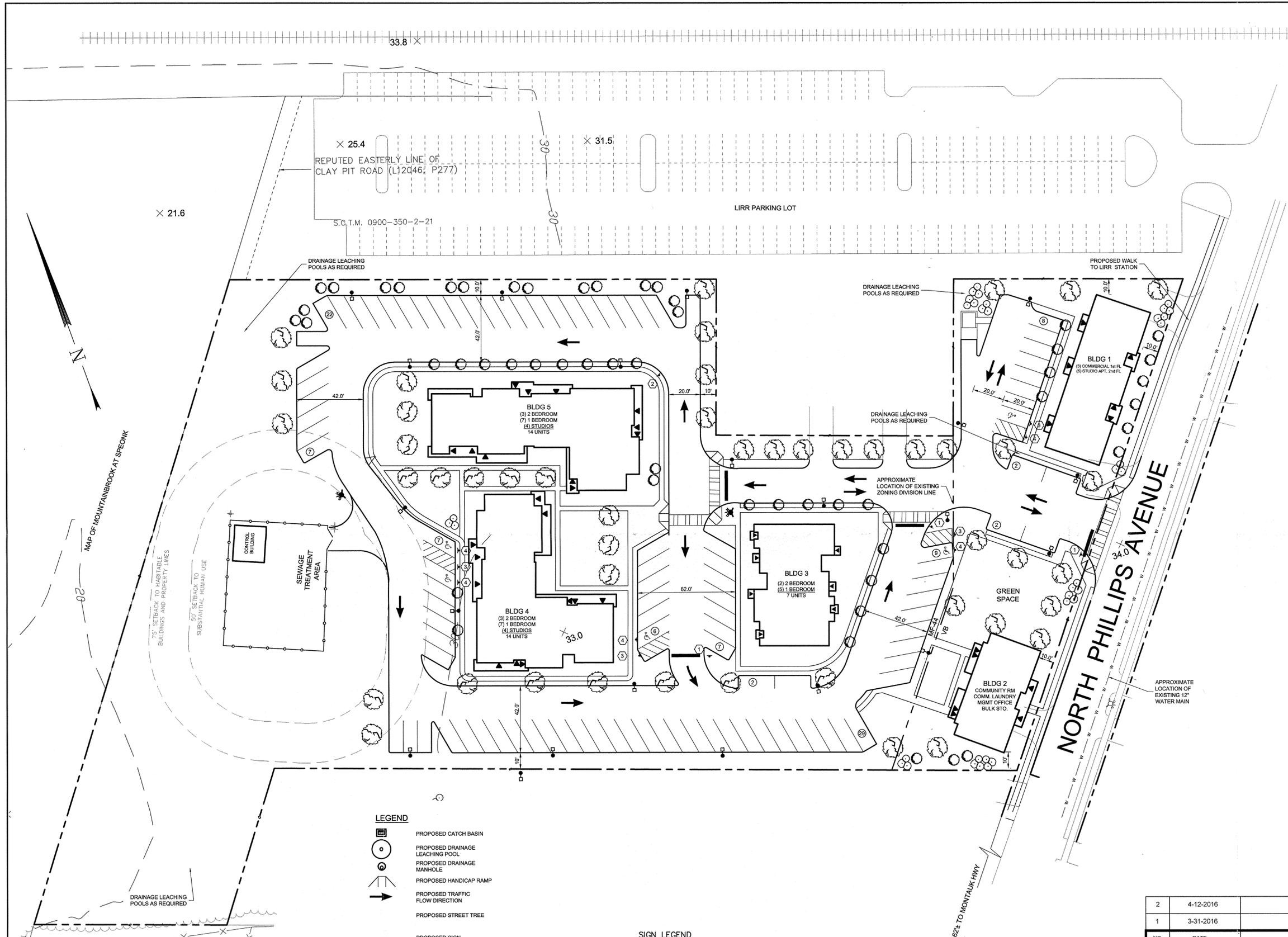
4. Related to the above, each individual multifamily dwelling unit should be provided with a private outdoor space in the form of a patio, terrace, garden, courtyard, deck or balcony immediately adjoining and directly accessible to the dwelling unit which it serves.
5. In order to offset potential increase and have a neutralizing effect on the School District and overall density of the community; the Town Board may wish to consider transferring banked development rights in the Speonk-Remsenburg School District to this parcel for the purpose of providing affordable housing.
6. If the application moves to the formal review stage, the Town Board should refer it to the Landmarks and Historic Districts Board for review and recommendations related to features of the Fordham house.
7. Pursuant to §330-185E, every proposed amendment or change of zone which the Town Board chooses to consider and schedules a public hearing on, whether initiated by the legislative body or upon petition, shall be referred by the Town Board to the Planning Board for report and recommendations

**IV. Conclusion:**

This application is provoking the questions that are being discussed by the Town Board as well as in every Hamlet related to affordable housing. Where does it belong? If not here, then where? Will this satisfy the housing needs in this area? How does this proposal fit into the long term strategy?

It is urgent that the Town Board consider all avenues for providing affordable housing and every creative solution to retain young professionals, couples saving for their first home, and older citizens who cannot maintain their home yet want to age-in-place. The total amount of units that would be appropriate for this site and in keeping with the character of the area is something that would be determined through the analysis associated with the formal application which will also more fully consider potential alternatives based on community objectives. In order to determine the answers to these questions, Land Management recommends that the project move forward to the formal application stage so that it may be more thoroughly examined and these issues debated.

A resolution related to the above can be placed on the next available Town Board meeting agenda for a Town Board vote pursuant to the procedures of §330-185 C (4).



**SITE DATA**

TOTAL SITE AREA: 181,588 SF ± (4.169 ACRES)  
 TAX MAP NUMBER: 0900-350-02-18  
 CURRENT ZONE: MF-44 & VB (VILLAGE BUSINESS)  
 FIRE DISTRICT: EASTPORT  
 SCHOOL DISTRICT: REMSENBERG-SPEONK UFSD  
 WATER DISTRICT: SCWA

**ZONING ANALYSIS** (BASED ON MF-44 MULTIFAMILY RESIDENCE & VB VILLAGE BUSINESS)

	REGULATORY	PROVIDED	REGULATORY	PROVIDED
	MF-44	MF-44	VB	VB
LOT AREA	44,000 SF	150,644 SF	NONE	30,944 SF
MIN. PER DWELLING UNIT (1)	11,000 SF	-	NONE	>20'
MAX. # OF UNITS W/ 330-8 APPLICABLE LOT COVERAGE	46	45	2	*10
MAX. COVERAGE BY MAIN & ACCESSORY BLDGS (%)	20%	10.29%	70%	18.21%
MIN. LOT WIDTH	>200'	>200'	20'	>20'
MAX. HEIGHT	2	2	2	2
STORIES	32	32	35	35
FEET				
YARDS (PRINCIPLE BUILDING)				
MIN. FRONT	50'	10'	10'	10'
MIN. SIDE FOR 1	50'	15'	NONE	24.42'
MIN. SIDE FOR BOTH	100'	65'	15'	63.35'
MIN. REAR	50'	50'	35'	60.81'
YARDS (ACCESSORY BUILDING EXCEPT FENCES AND RET. WALLS)				
MIN. DIST. FROM STREET	60'	>60'	20'	N/A
MIN. DIST. FROM SIDE AND REAR LOT LINES	20'	50' (STP)	35' (REAR ONLY)	N/A

(1) 12 UNITS / ACRE MAX. PURSUANT TO TOWN CODE 330-8. INCREASE RESIDENTIAL DENSITY TO ESTABLISH LOW- AND LOWER- MIDDLE- INCOME HOUSING INVENTORY: 4.169 ACRES x 12 UNITS / ACRE = 50 UNITS MAXIMUM (BASED UPON OVERALL SITE AREA)

**\*PARKING CALCULATIONS**

REQUIRED

3,554 SF RETAIL	1 STALL / 150 SF	=	23.76
MULTI-FAMILY - (18) STUDIOS	1.5 STALLS / EA	=	27
MULTI-FAMILY - (17) 1-BEDROOMS	1.75 STALLS / EA	=	29.75
MULTI-FAMILY - (10) 2-BEDROOMS	2 STALLS / EA	=	20
TOTAL STALLS REQUIRED		=	100.51 = 101

PROVIDED  
 101 PAVED STALLS (INCL. 5 HC STALLS)

**UNIT COUNT**

BUILDING	# UNIT TYPE	TOTAL UNITS	1ST FLOOR	2ND FLOOR	TOTAL
1	3 - COMMERCIAL, 6 - OBR	3,548	3,450	6	6,996
2	1 - OFC, 1 - COMMUNITY, 1 - STO, 4 - OBR	2,987	2,447	4	4,234
3	5 - 1BR, 2 - 2BR	7	3,535	3,010	6,545
4	4 - OBR, 6 - 1BR, 4 - 2BR	14	5,770	5,680	11,450
5	4 - OBR, 6 - 1BR, 4 - 2BR	14	5,747	5,650	11,397

**ACCESSIBILITY:**

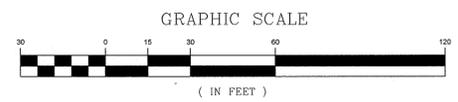
(30) VISIBLE UNITS (2-STUDIO, 14-ONE BEDROOM, 14-TWO BEDROOM)  
 (5) FULLY ACCESSIBLE/ADAPTED UNITS (1-STUDIO, 2-ONE BEDROOM, 2-TWO BEDROOM)  
 (2) HEARING/VISUALLY IMPAIRED ADAPTED UNITS (1-ONE BEDROOM, 1-TWO BEDROOM)

**NOTE:**  
 1. METES AND BOUNDS SHOWN ARE PER DEED.

- LEGEND**
- PROPOSED CATCH BASIN
  - PROPOSED DRAINAGE LEACHING POOL
  - PROPOSED DRAINAGE MANHOLE
  - PROPOSED HANDICAP RAMP
  - PROPOSED TRAFFIC FLOW DIRECTION
  - PROPOSED STREET TREE
  - PROPOSED SIGN
  - PROPOSED HANDICAP STALL AND ACCESS AISLE
  - PROPOSED LIGHT POLE
  - PROPOSED SAN MANHOLE
  - PROPOSED WATER MAIN
  - EXISTING WATER MAIN
  - EXISTING FIRE HYDRANT
  - PROPOSED FIRE HYDRANT

**SIGN LEGEND**

SIGN	SYMBOL	SIZE	SIGN	SYMBOL	SIZE
STOP	①	30"x30"	RESERVED PARKING	③	12"x18"
DO NOT ENTER	②	30"x30"	VAN ACCESSIBLE	④	12"x18"
			NO PARKING ANY TIME		



IT IS A VIOLATION OF NEW YORK STATE EDUCATION LAW ARTICLE 145, PROFESSIONAL ENGINEERING AND LAND SURVEYING, SECTION 7209 FOR ANY PERSON, UNLESS HE IS ACTING UNDER THE DIRECTION OF A LICENSED PROFESSIONAL ENGINEER OR LAND SURVEYOR, TO ALTER AN ITEM IN ANY WAY. IF AN ITEM BEARING THE SEAL OF AN ENGINEER OR LAND SURVEYOR IS ALTERED, THE ALTERING ENGINEER OR LAND SURVEYOR SHALL AFFIX TO THE ITEM HIS SEAL AND NOTATION "ALTERED BY" FOLLOWED BY HIS SIGNATURE AND THE DATE OF SUCH ALTERATION, AND SPECIFIC DESCRIPTION OF THE ALTERATION.

2	4-12-2016	TRAFFIC FLOW DIRECTION	LN
1	3-31-2016	RE ZONE AND BUILDING RE-CONFIG	LN
NO.	DATE	REVISIONS	BY:
		<b>CONCEPTUAL PLAN</b> FOR <b>SPEONK COMMONS</b> SITUATED AT <b>SPEONK</b> TOWN OF SOUTHAMPTON, SUFFOLK COUNTY, NEW YORK SCTM: DIST 0900 SECT 350, BLOCK 02, LOT 18	
		PROJECT NO.: <b>14258</b> DRAWN BY: JM CHECKED BY: GSB DATE: 11/11/2015 SCALE: 1" = 30' FILE NO.: CADD: 14258CP	
P.E. SEAL AND SIGNATURE		 <b>NELSON &amp; POPE</b> ENGINEERS & SURVEYORS 572 WALT WHITMAN ROAD, MELVILLE, N.Y. 11747 PHONE (631) 427-5665 FAX (631) 427-5620 WWW.NELSONPOPE.COM	
		DRAWING NO.: <b>C-101</b> SHEET NO.: <b>1</b> OF <b>1</b>	

# GEORGICA GREEN VENTURES LLC

50 Jericho Quadrangle, Suite 200 Jericho, NY 11753

Phone: 516-390-9387 Fax: 516-256-3510

September 20, 2016

Ms. Janice Scherer  
Principal Planner  
Long Range Planning Division  
Town of Southampton Department of Land Management  
116 Hampton Road  
Southampton, NY 11968

**Re: Speonk Commons Change of Zone Application**

Dear Ms. Scherer,

The Town Board of the Town of Southampton considered the Speonk Commons Zone Change Application at a work session on July 28, 2016. At that work session, questions arose that have been confirmed as open items by Land Management that require clarification from the applicant. The following represents the questions presented regarding the application and our responses to those open items:

**Question 1a:** There was a detailed discussion of the as of right yield of the parcel at the work session and a request for the clarification and submission of the current as of right yield calculations for the site.

**Question 2:** There was a discussion regarding the status of the new Suffolk County Health Department program and whether it would apply to this project. The Board requested that we provide authority to exceed 300 gallons per day in flow.

**Question 1a & 2 Response:** As-of-right calculations can take two routes. The first, developing the existing non-conforming use. The existing use (5 single family structures and a 10-unit apartment building) has a sanitary flow of 3,750 gallons. Maintaining this for market rate housing would be allowable with both town and county policy.

The second route considers full redevelopment of the existing zones.

In accordance with Town Code, the non-affordable as-of-right yield is 5 five-bedrooms single-family homes in the R-20 portion of the site with a 2.5-story commercial building in the VB portion of the site that includes 15 office and retail units on the first floor and 10 apartments (5 one-bedrooms and 5 two-bedrooms) on the second floor. When factoring sanitary density into the as-of-right, the commercial building would limit the first floor to dry retail use and the second floor apartment use would be reduced to 4-bedroom market rate (600 SF each) or 4 multi-bedroom units with age-restrictions (maximum 1,600 SF). This take full advantage of the 2,520 GPD density using TDR's to achieve double density.

The affordable as-of-right yield is 7 five-bedroom single-family homes in the R-20 portion of the site with a 2.5-story commercial building in the VB portion of the site that includes 15 office and retail units on the first floor and 10 apartments (5 one-bedrooms and 5 two-bedrooms) on the second floor. Please see the attached sketches as Exhibit A. When factoring the sanitary density into the as-of-right yield, the 7 single-family homes would be reduced to 6, reserving one lot for a mini-STP, allowing for the sanitary density of the VB building to remain the same, capable of allowing wet and dry uses.

It is important to note that the IA (Innovative/ Alternative) sanitary system program currently in process of codification, does not yet allow for an increase of density per acre. Although it is a goal of the SCDHS program, it is not yet adopted.

**Question 1b:** The Board also questioned the need for the 12 units per acre and requested information to determine whether a reduced yield would be economically viable.

**Question 1b Response:** Speonk Commons used the yield of 12 units per acre as provided for in Town Code §330-8(D)(1). Town Code §330-8 seeks to allow for increased density for those projects, such as Speonk Commons, that provide for

affordable housing including housing for low or lower- middle income housing.” It bears reminding that the Town Code states, “Affordable housing is critical. Regional employers grapple with the task of hiring and retaining employees because of the limited availability of affordable housing. Recruiting and retaining essential personnel (e.g., public safety, health care, municipal employees, volunteer EMS, and fire protection) has become increasingly challenging because of the lack of affordable housing. Volunteer emergency services also are impacted by the lack of affordable housing, prompting the possibility of paid services. While the Town has benefited from increased tourism and second home ownership, the Town Board now finds there is a need to ensure housing opportunities for income-eligible households in order to sustain the local economy and community services. Presently, income-eligible households priced out of market-rate housing include health-care professionals, teachers, municipal staff, shop clerks, mechanics, and many others. Additionally, the Town has found that there is a need to sustain the ranks of its volunteers who provide critical public-safety services for fire protection and emergency medical services. The Town Board has also found that it has a substantial demographic cohort of persons aged over 55 years, and given present economic factors the Town Board has deemed it necessary to provide for affordable senior housing within the Town.”

As this Board is aware, Speonk Commons is 100% affordable housing. The future success and economic viability of this project is dependent on the enhanced yield afforded to the project by the Town Code. Fewer units would decrease rental income and the property would not be able to cover operating expenses and mortgage expense on the property, thereby creating annual operating losses. Notably, the costs in operating an affordable housing community are not less than market rate properties. For instance, manager and maintenance salaries, landscaping snow removal expenses, insurance costs, STP operating costs and legal expenses are not discounted to due nature of affordable rents. However Rental Income is less by the very nature of creating the affordable housing. The amount of rent charge is restricted by Town and funding agencies and regulated for a minimum of 50 years.

Affordable housing projects in New York State are strictly reviewed to qualify for State funding and/or grants. As part of that review, State agencies consider the economic viability and potential for long term success of a project prior to contributing State funds. Any increased profits mandate reductions in State funding. As a result, the profit margins are small and remain so throughout the life of the project. Georgica Green and the Southampton Town Housing Authority are committed to ensuring a much needed, successful, State-funded, perpetual, affordable housing project. Reductions in the yield of the project will (i) reduce the ability for the project to meet the obvious and well documented need for affordable housing, (ii) reduce the potential for long term viability of the project (iii) endanger the economic feasibility of the project and (iv) affect State funding.

In summary, we are requesting 12 units per acre for financing feasibility. Developments must meet operating budget and development budget feasibility guidelines set by financing parties (“Funders”) for Federal, State & County programs. Based upon housing need, the federal government allocates resources to State Housing Finance Agencies, who then allocate money to projects based upon written guidelines. Georgica Green Ventures, LLC acts a conduit for obtaining resources through state financing programs, which are extremely scarce and very competitive.

Towns and municipalities with unmet housing needs typically rely on State & County programs to finance the acquisition, construction, and soft costs associated with affordable housing development since Towns do not have the financial resources to make the investment themselves or the experience to successfully operate the properties. In order to leverage State investment, Towns contribute by reducing building permit fees, exempting the property from paying real estate taxes, or authorizing increased density.

**Question 3:** The Board had questions on how the commercial uses in the VB zoning district would be taxed given that the site is run by a not for profit and questioned how and whether PILOT payments would be made.

**Question 3 Response:** For information regarding commercial taxes please see Exhibit B attached.

**Question 4:** Board members had questions regarding the impact of the proposal on the school district along with what residents will be living there.

**Question 4 Response:** Attached as Exhibit C, please find a report from Nelson, Pope, & Voorhis that estimates that Speonk Commons would yield fewer school age children (“SAC”). The report indicates that the project would result in six (6) SAC while the existing non-conforming scenario resulted in nine (9) SAC and the as-of-right scenario resulted in twelve (12) SAC.

Residents of Speonk Commons will be Southampton's Town employees, firefighters, nurses, and teachers who earn between \$37,200 to \$87,000 per year.

**Question 5:** Board members asked us to show that we comply with the low income requirements referenced in Town Code section 330-8 thereby qualifying for the increased density.

**Question 5 Response:**

§330-8 of the Southampton Town Code states:

*Since there is a limited supply of standard housing available at purchase prices of rentals commensurate with the incomes of low- or lower-middle-income residents in the Southampton community, these provisions are enacted to implement the Town of Southampton Master Plan of 1970 community planning objectives with reference to encouraging a wide variety of housing types and, more particularly, to help make possible purchase and rental costs in keeping with the financial means of the Town's residents who have low or lower-middle incomes.*

§216-2 of the Southampton Town Code defines a "low-income household" as:

*A household, according to the U.S. Department of Housing and Urban Development (HUD), whose gross annual income is less than 50% of the median gross household income for households of the same size within the housing region in which the housing is located, or as determined from time to time by Town Board resolution.*

§216-2 of the Southampton Town Code defines a "middle-income household" as:

*According to the U.S. Department of Housing and Urban Development (HUD), a household whose gross annual income is greater than 80%, but does not exceed 120% of the median gross household income for households of the same size within the housing region in which the housing is located, or as determined from time to time by Town Board resolution.*

Therefore, we interpret "low or lower-middle income residents" as those whose household income ranges from 50% to 90% of the median gross household income. This largely meets the definition of a "moderate-income household" set forth in §216-2 of the Southampton Town Code:

*According to the U.S. Department of Housing and Urban Development (HUD), a household whose gross annual income is greater than 50%, but does not exceed 80% of the median gross household income for households of the same size within the housing region in which the housing is located, or as determined from time to time by Town Board resolution.*

Speonk Commons residents will be those whose household income ranges from 50% to 90% of the median gross household income. We believe that this meets the low or lower-middle income requirements referenced in Town Code §330-8, thereby qualifying Speonk Commons for increased density.

**Question 6:** The Board requested information regarding the potential for the site to go from one pre-existing nonconforming use to another before the ZBA.

**Question 6 Response:** The subject property is currently split zoned with a portion of the property located in the Village Business Zone and the balance located in the R-20 Zone. Approximately 58,400 square feet are located in the Village Business Zone and 136,200 are located in the R-20 zone. Currently, the property is improved with a 10-unit apartment building and five single family dwellings. These improvements are covered by the following certificates of occupancy/compliance:

- a. CO #5458 dated October 4, 1967 (pre-existing): "two-story frame apartment building, five (5) one story frame houses (rentals), old frame garage, one building."
- b. CO #070479 dated December 21, 2007 (updated): quantified the number of apartments permitted at ten (10).

Based on CO #5458, the property currently houses a pre-existing nonconforming use. Pursuant to Town Code §330-167(B)(3) the Zoning Board of Appeals has the authority to "grant a certificate of occupancy for a change in nonconforming use..." provided certain standards are met. Although it is not the intent of the present applicants who have been assigned an

option to purchase the property, it is an option for the owner. Some examples of approvals pursuant to §330-167(B)(3) by the Zoning Board of Appeals include:

- a. Jones H. Rambo Inc. (Bishops Pond)
- b. Lobster Inn
- c. Southampton Day Camp Realty
- d. 337 Montauk Highway, LLC (Wabi Sabi)
- e. Clay Pit Road Realty

**Question 7:** The Board requested the Tax Assessor's information provided to the applicant regarding the assessment at market rates.

**Question 7 Response:** For information regarding market rate tax assessment please see Exhibit B attached.

**Question 8:** The Board requested that we specify where the VB line is being moved from/to and how much property is resulting in the VB District.

**Question 8 Response:** The requested zoning change would result in 1-acre in the VB district.

**Question 9:** The Board requested information on what the yield would be if it were MF-44 without the density incentive found in Town Code 330-8.

**Question 9 Response:** Yield for MF-44 without the density incentive found in Town Code Section 330-8 would be 34 units.

Please do not hesitate to contact me at (516) 390-9387 with any questions.

Sincerely,



David Gallo  
President  
Georgica Green Ventures, LLC

**Enclosures**

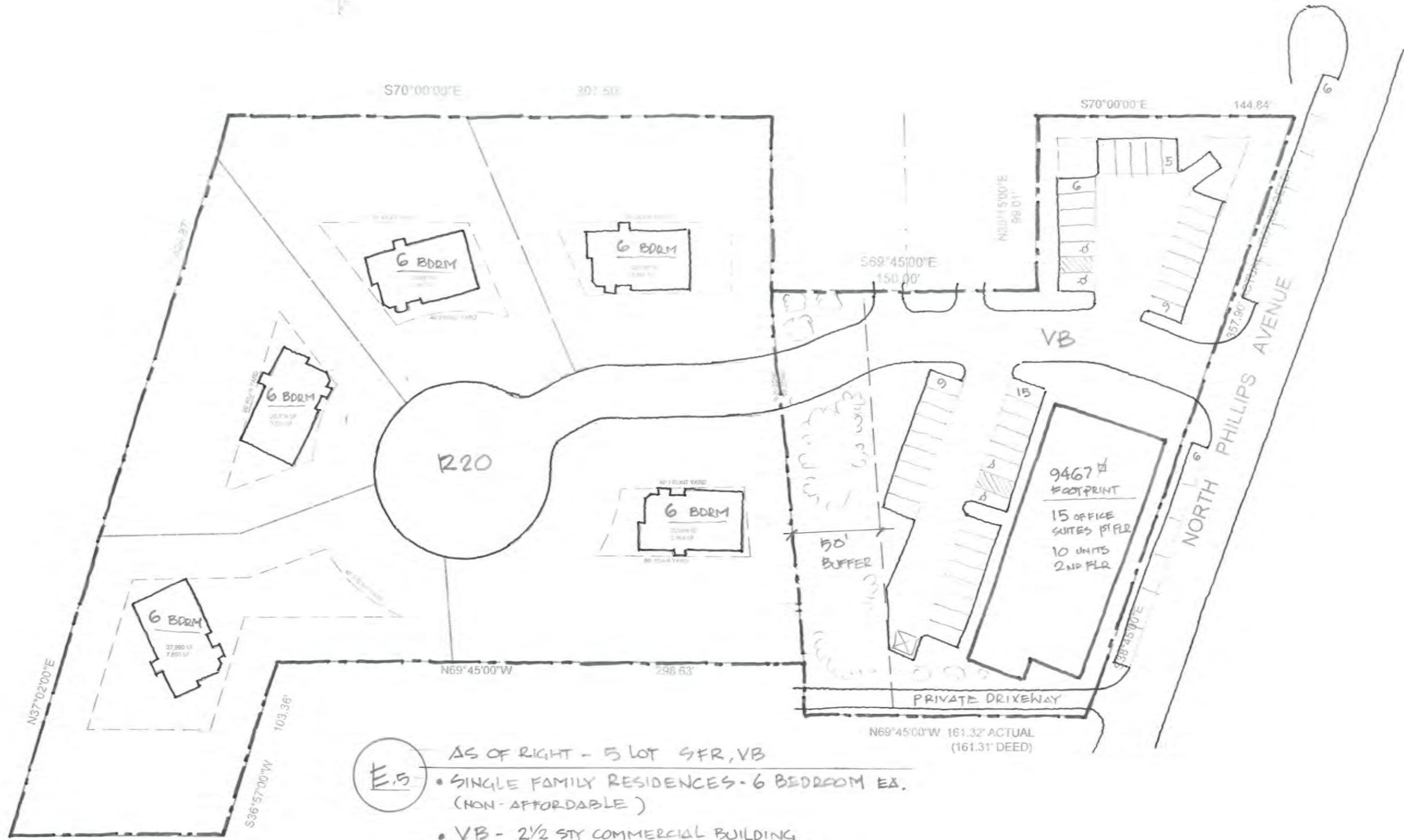
- Exhibit A – As-of-Right Yield Sketches
- Exhibit B – Town of Southampton Housing Authority Response Letter
- Exhibit C – Nelson, Pope, & Voorhis SAC Report

CC: David Gilmartin, Esq.  
Elizabeth Vail, Esq.  
Curtis Highsmith, Jr.  
Alexandra Giorgos

# EXHIBIT A

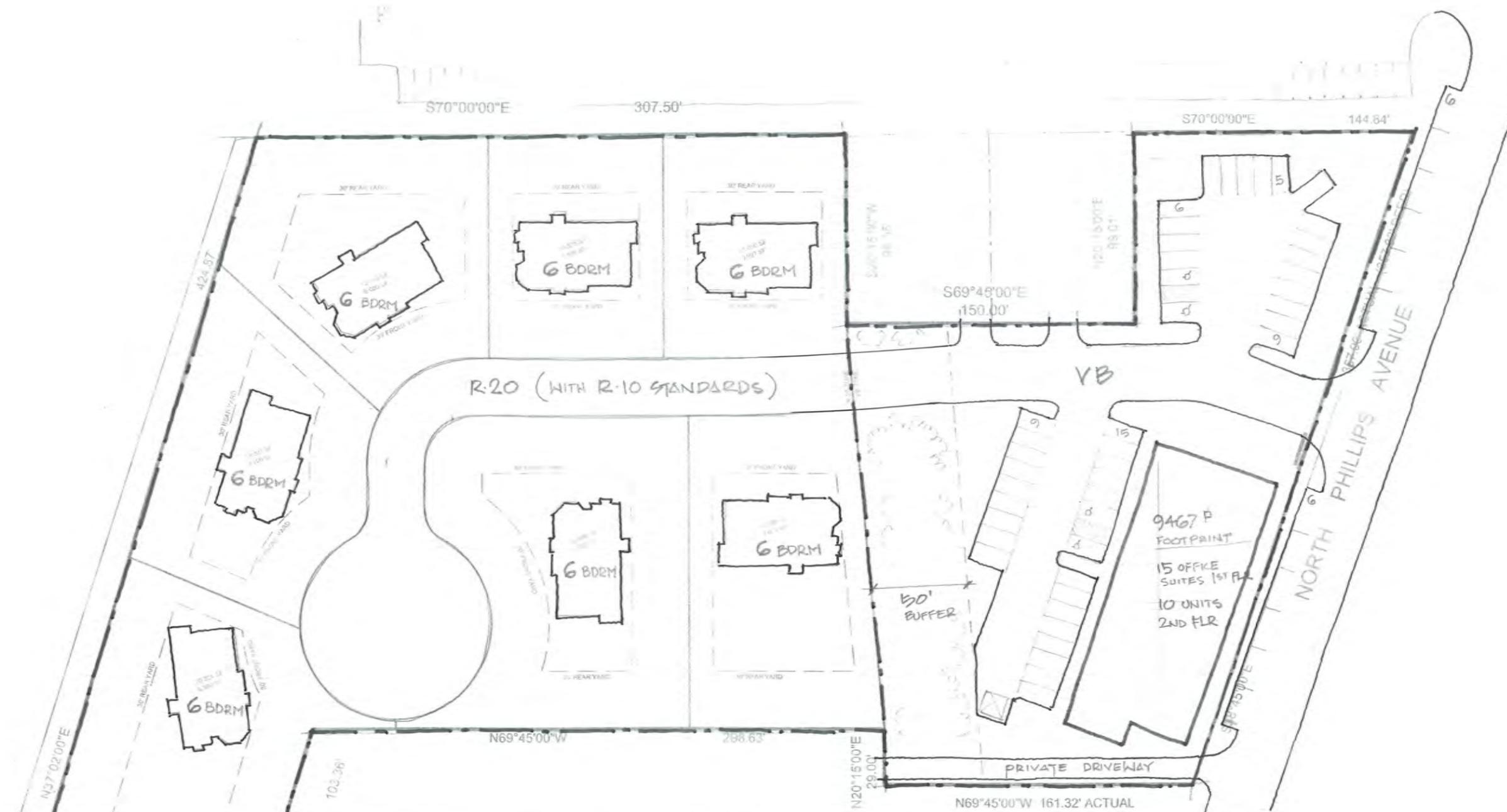
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## As-of-Right Yield Sketches



**E.5**

- AS OF RIGHT - 5 LOT SFR, VB
- SINGLE FAMILY RESIDENCES - 6 BEDROOM EA. (NON-AFFORDABLE)
- VB - 2 1/2 STY COMMERCIAL BUILDING
  - 1ST FLR - (15) OFFICE & RETAIL UNITS
  - 2ND FLR - (10) APARTMENTS : (5) 1BR, (5) 2BR
- TOTAL LIVING UNITS = 15
- TOTAL BEDROOMS = 45



**E.7 AS OF RIGHT - 7 LOT (AFFORDABLE SFR), VB**

- AFFORDABLE SINGLE FAMILY RESIDENCES  
330-9 (C) (D) (6 BEDROOMS EA.)
- VB - 2 1/2 STY COMMERCIAL BUILDING  
1ST FLR - (15) OFFICE & RETAIL UNITS  
2ND FLR - (10) APARTMENTS: (5) 1 BR, (5) 2 BR

TOTAL LIVING UNITS = 17  
TOTAL BEDROOMS = 57

# EXHIBIT B

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## Town of Southampton Housing Authority Response Letter



# SOUTHAMPTON HOUSING AUTHORITY

PO Box 799, Hampton Bays, New York 11946 Telephone: 631 488-4220 Fax: 631 714-6140

## Memorandum

Date: September 12, 2016

From: Curtis Highsmith, TSHA Executive Director

To: Land Management  
Kyle Collins, Town Planning/Development Administrator  
Janice Scherer, Principal Planner

Re: Speonk Commons Change of Zoning

On July 28<sup>th</sup>, 2016 Georgica Green Ventures, LLC. (GGV) and The Town of Southampton Housing Authority (TSHA) met in Work Session with the Southampton Town Board, to present a request for a change of zoning on 41 North Phillips Ave., Speonk, NY. Land Management advised that a number of open questions from the meeting required clarification. Two questions have been assigned to the TSHA to respond to. The Questions are as followed:

- *How will the commercial uses within the VB zoning district be taxed given that the site is run by a not for profit and questioned how and whether PILOT payments would be made?*
- *The Board requested the Tax Assessor's information provided to the applicant regarding the assessment at market rates.*

There are considerations other than the organization's purpose to be taken into account when determining whether a nonprofit is eligible to receive a real estate tax exemption in addition to the organization's purpose(s). Those considerations are as follows:

**First**, the real property must be *owned* by a nonprofit and the space must be used exclusively for carrying out its purposes.

**Second**, an organization's officer, member or employee cannot receive any profit from the organization's operations other than reasonable compensation for services rendered to further the exempt organization's purposes.

**Third**, the property must be "used exclusively" to further the organization's purposes. If any part of the property is not used exclusively for exempt purposes, then that portion of the property shall be subject to taxation and only the remaining portion shall be exempt. If a nonprofit organization leases space to a third party tenant, then that portion of the property will be tax-exempt *only if* (i) the tenant's purposes fall under those set forth in Section 420-a of the RPTL and (ii) the rent paid by the lessee does not exceed the amount of the carrying charges, maintenance and depreciation of the property or the portion thereof. If a nonprofit decides to rent property or a portion of their space to a business entity or individual, it is prudent to either (i) include a "pass-along" clause regarding the real property taxes owed or (ii) ensure that the tenant's rent will cover the real estate taxes that may be assessed. Additionally, a nonprofit that leases space it owns to a third party tenant may be responsible for the payment of unrelated business income tax.

### Board of Commissioners

**Michelle Cannon**  
Chairperson

**Barbara Fair**  
Vice-Chairperson/  
Treasurer

**Ronald Fisher**  
Secretary

**Dan Gasby**  
Member

**Curtis Highsmith, Jr.**  
Executive Director



# SOUTHAMPTON HOUSING AUTHORITY

PO Box 799, Hampton Bays, New York 11946 Telephone: 631 488-4220 Fax: 631 714-6140

www.SouthamptonHA.org

**Fourth**, the property must be “devoted to such exempt purposes.” If the nonprofit owner (or its nonprofit lessee) uses all or part of the property in a manner that does not further the relevant organization’s exempt purposes, then the property (or a portion thereof) will not qualify for the exemption. For example, if a charitable organization owns a three-story building and rents out the first floor for commercial or business use (e.g. a restaurant owned by a business entity), then that portion of the property used for commercial or business purposes will be ineligible for tax exemption.

**Fifth**, the property must be in “actual use.” A nonprofit organization that owns a vacant building or a vacant lot is only eligible for tax exemption under certain circumstances. However, a property owner may be entitled to an exemption if it proves that the construction of such buildings or improvements is in progress or is contemplated by the organization in good faith. An owner must provide evidence of plans to develop the parcel (e.g. board minutes approving development of the property, contracts for the development of the property, blueprints, bank accounts, and fundraising campaigns).

The intended tenants within the commercial portion of the Village Business District have not yet been determined; however, if any of the entities do not fall within the stated five criteria, the commercial units not exempt from property tax and are assessed and taxed under market parameters. The exemption from real property taxes on the affordable units can be critical in maintaining the budget of the project and low rents for its residents. Whenever the New York State Housing Finance Agency allocates tax credits and low interest funds to an affordable housing development, it asks that the local municipality assist in keeping the rents affordable by providing tax exemption benefits.

**PHFL §577(1)(a)** provides the following:

*The local legislative body of any municipality in which a project of a housing development fund company is or is to be located may exempt the real property in such project from local and municipal taxes including school taxes, other than assessments for local improvements, to the extent of all or part of the value of the property included in the completed project. The tax exemption shall operate and continue for such period as may be provided by such local legislative body, but in no event for a period of more than forty years, commencing in each instance from the date on which the benefits of such exemption first became available and effective.*

While interacting with residents within Speonk, and a number of local Citizen Advisory Committees and Civic Associations, one of the concerns was around the potential financial burden of the school tax on the community.

In anticipation of a zoning approval subject to a PILOT (Payment In Lieu Of Tax), Lisa Goree, Southampton Town Assessor was asked to calculate the market rate school tax impact on 50 residential units and retail:

Income Category	Studio	1 Bedroom	2 Bedroom	Retail Space
Total Units/ Square Feet	10	25	15	1,500
Per Unit/ SF	\$900	\$1,200	\$1,500	\$25
Gross Income	\$108,000	\$360,000	\$270,000	\$37,500
Vacancy Loss (5%)	\$5,400	\$18,000	\$13,500	\$1,875
Effective Gross Income	\$102,600	\$342,000	\$256,500	\$35,625
Expenses (37% - Apartments / 25% Retail)	\$37,962	\$126,540	\$94,905	\$8,906
Net Operating Income	\$64,638	\$215,460	\$161,595	\$26,719
Adjusted Assessment Value (10% Cap)	\$646,380	\$2,154,600	\$1,615,950	\$267,188
<b>Total Assessment Value</b>	<b>\$4,684,118</b>			
2015/16 School Tax Rate	\$ 5.5737			
<b>Total Net School Taxes</b>	<b><u>\$26,107.87</u></b>			

# SOUTHAMPTON HOUSING AUTHORITY

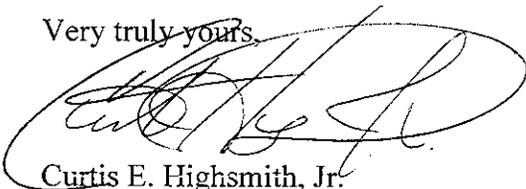
PO Box 799, Hampton Bays, New York 11946 Telephone: 631 488-4220 Fax: 631 714-6140  
www.SouthamptonHA.org

For informational purposes, and so that our office and development team have a complete overview of the total market rate tax potential, Lisa Goree was asked to prepare an estimated fair market tax bill for Speonk Commons based on 50 residential units and retail:

<u>Levy Description</u>	<u>Taxable Value</u>	<u>Rate/1000</u>	<u>Total tax</u>
Remsenburg-Speonk School (529)	4,684,118	5.5737	\$ 26,107.87
Remsenburg-Speonk Library	4,684,118	0.1273	\$ 596.29
County (0% change from prior year)	4,684,118	0.1965	\$ 920.43
Southampton Town - General	4,684,118	0.3774	\$ 1,767.79
Highway	4,684,118	0.3895	\$ 1,824.46
Police	4,684,118	0.5645	\$ 2,644.18
Emergency Dispatching-e911	4,684,118	0.0487	\$ 228.12
Part-Town Outside of Villages	4,684,118	0.0416	\$ 194.86
Out of County Tuition	4,684,118	0.0042	\$ 19.67
New York State Real Property Tax Law	4,684,118	0.0979	\$ 458.58
New York State MTA Tax	4,684,118	0.0061	\$ 28.57
Eastport Fire District	4,684,118	0.5409	\$ 2,533.64
Westhampton Ambulance District	4,684,118	0.09	\$ 421.57
<b>Total Estimated Taxes</b>			<b>\$ 37,746.03</b>

In conclusion, the allowance of the affordable residential portion of Speonk Commons to remain real property tax exempt is critical in maintaining the budget of the development and securing lower rents for its residents. The Southampton Housing Authority and its development partner Georgica Green Ventures, LLC. are excited to bring new, safe, and energy efficient affordable housing units to the current Speonk community, and the tax liability is vital to financial sustainability of Speonk Commons. Accordingly, we respectfully request the Town of Southampton grant the exemption pursuant to PHFL §577(1)(a).

Very truly yours,



Curtis E. Highsmith, Jr.  
Executive Director/TSHA

cc: Honorable Jay Schneiderman, Town Supervisor  
John Bouvier, Councilman  
Julie Lofstad, Councilwoman  
Stan Glinka, Councilman  
Christine Scalera, Councilwoman  
James Burke/ Town Attorney  
Dave Gallo/ GGV  
Dave Gilmartin/ Farrell Fritz  
Bonnie Cannon/ TSHA  
Barbara Fair/ TSHA  
Ron Fisher/ TSHA  
Dan Gasby/ TSHA  
Paul Godfrey/ TSHA

# EXHIBIT C

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## Nelson, Pope, & Voorhis SAC Report



**NELSON, POPE & VOORHIS, LLC**

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September 13, 2016

Mr. David Gallo  
Georgica Green Ventures, LLC  
50 Jericho Quadrangle, Suite 200  
Jericho, NY 11753

**Re: *Speonk Commons***  
***School Age Children Generation/Comparison***

Dear Mr. Gallo:

At your request, we have projected the number of school age children that would be introduced from the proposed Speonk Commons development and compared same to the number of school age children that could be generated from an “existing nonconforming” project, as well as an “as-of-right” project.

As overview, the hamlet of Speonk is serviced by one (1) school district: the Remsenburg-Speonk UFSD. According to the U.S. Census Bureau, as of 2011<sup>1</sup>, 100.0% of all school-aged children residing within the boundaries of the Remsenburg-Speonk UFSD attended public schools. The district is currently comprised of one (1) elementary school. The Remsenburg-Speonk Elementary School serves children enrolled in Kindergarten through sixth grade. It also offers a pre-kindergarten program, although the pre-schoolers attending the program are not counted toward the school district’s total enrollment figures. It is noted that students in the Remsenburg-Speonk UFSD may attend middle and high schools located in two adjoining school districts: the Eastport-South Manor CSD, or the Westhampton Beach UFSD. In addition to servicing students from the Remsenburg-Speonk UFSD, these school districts also receive students from other sending districts including the East Moriches and East Quogue school districts.

The cumulative enrollment within the Remsenburg-Speonk elementary school has fluctuated over the past ten (10) years since the 2006-07 academic year, decreasing to a low of 153 students in the 2013-14 year. Enrollment has generally decreased in size, declining from 193 students in the 2006-07 year to 159 students in the 2015-16 year, for a decrease of 34 students over this time period. **Table 1** shows these trends.

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<sup>1</sup> 2011 U.S. Census Bureau American Community Survey.

**TABLE 1**  
**ENROLLMENT TRENDS: 2006-07 – 2014-15**  
**Remsenburg-Speonk Elementary School**

Academic Year	Student Enrollment
2006-07	193
2007-08	194
2008-09	186
2009-10	191
2010-11	177
2011-12	188
2012-13	172
2013-14	153
2014-15	158
<b>2015-16</b>	<b>159</b>
<b>Change: 2005-06 - 2014-15</b>	<b>(34)</b>

Source: New York State Education Department

Note: NYSED publishes annual enrollment data for the district for the elementary school only.

To estimate school age children, the Rutgers University Center for Urban Policy Research publication entitled “Residential Demographic Multipliers — Estimates of the Occupants of New Housing” (2006) is recognized as the industry standard. The Rutgers study recognizes housing type, housing size, housing price, and housing tenure as four variables that are associated with “statistically significant differences” in school-age children (“SAC”). Based on these values, the Rutgers study provides a SAC multiplier that would estimate the number of SAC that would be generated from new construction of single-family detached homes, single-family attached homes, owned apartment units, rented apartment units, and mobile homes. The Rutgers study, which provides data for all 50 states and the District of Columbia from the 2000 census, estimates values using a residential price inflation index available from the Federal Housing Finance Board. It is recognized in this study, among others, that multi-family housing (housing that has 4 or more units) generates fewer SAC than single-family detached homes with the same number of bedrooms and that the number of students increases with an increase in bedrooms for the same housing type.

We have utilized the SAC multipliers from the Rutgers study to estimate SAC from three development scenarios: the existing non-conforming use, as-of-right use, and the proposed project, “Speonk Commons.” We have specifically utilized SAC multipliers applicable to New York State.

**Existing Non-Conforming Use**

The site presently includes 15 dwelling units, of which five (5) consist of single-family detached dwellings, and one building contains ten (10) multifamily dwelling units. The single family dwellings consist of three 2-bedroom units, and two 3-bedroom units. Of the multifamily units, eight are 1-bedroom units, and two are 2-bedroom units. The total number of bedrooms at present is 24 for the existing non-conforming condition.

We have reviewed the provisions of the Town of Southampton Code, Chapter 330, Zoning, and specifically Section 330-115, which regulates the continuance of uses which may not comply with the bulk and/or use regulations of the applicable zoning district. As discussed above, the existing non-conforming use contains 15 dwelling units with 24 total bedrooms. Rehabilitation of the existing structures will be required, which is allowed under present town code. It is our understanding that the multifamily units may be reconstructed with the same number of bedrooms, and that the single family dwellings may be reconstructed with a different interior layout than exists at present, including additional bedrooms. Based on the assumption that the single-family detached dwellings are reconstructed with four bedrooms, the as-of-right scenario could theoretically generate nine (9) students (rounded to the nearest whole number) based on the parameters set forth in **Table 2** below.

**TABLE 2  
STUDENT GENERATION – EXISTING THEORETICAL NONCONFORMING  
SCENARIO**

Type of Dwelling	Number of Bedrooms	Number of Units	Gross Monthly Rent (MF) or Market Value (SF)	School Age Children Multiplier	School Age Children
Single Family (SF)	4	5	> \$329,500	1.05	5.25
Multifamily (MF)	1	8	\$500-1,000	0.30	2.40
Multifamily (MF)	2	2	\$750-\$1,100	0.51	1.02
Total	32	15			8.67

Source: Rutgers University, Center for Urban Policy Research; Analysis by Nelson, Pope & Voorhis, LLC.

**As-of-Right Use**

We have reviewed the provisions of the Town of Southampton Code, Chapter 330, Zoning, and specifically Section 330-115, which regulates the continuance of uses which may not comply with the bulk and/or use regulations of the applicable zoning district. The zone petition for the subject property indicates that the project site could accommodate five (5) single family detached dwellings, and 10 apartments. Ten (10) apartments could be constructed in association with the nonresidential uses which would be constructed in the portion of the property zoned “VB”. For purposes of the analysis, we examined the option of constructing ten accessory apartments in the VB zone – although we note that a single family homeowner could petition to construct an accessory apartment in the future. Based on the assumption that the single-family detached dwellings are reconstructed with four bedrooms, the as-of-right scenario could theoretically generate twelve (12) students (rounded to the nearest whole number) based on the parameters set forth in **Table 3** below.

As per Section 330-158 of the Town of Southampton Code, apartments may be located in a VB Village Business District. Apartments must be located on the second floor, and shall have no more than two (2) bedrooms. Only one apartment is permitted for each office or retail shop, but no more

than two per building, except additional units may be constructed at the discretion of the Planning Board, to provide some number of units of affordable housing for moderate income families. The total number of apartment units allowed shall be based on one apartment unit per 1,250 square feet of business, office or retail shop.

**TABLE 3  
STUDENT GENERATION – AS-OF-RIGHT USE**

Type of Dwelling	Number of Bedrooms	Number of Units	Gross Monthly Rent (MF) or Market Value (SF)	School Age Children Multiplier	School Age Children
Single Family (SF)	5	5	\$329,500-\$748,500	1.51	7.55
Multifamily (MF)	1	5*	\$500-\$1,000	0.30	1.50
Multifamily (MF)	2	5*	\$750-\$1,100	0.51	2.55
Total	----	15	----	----	11.6

\* Nonresidential zone only.

Source: Rutgers University, Center for Urban Policy Research; Analysis by Nelson, Pope & Voorhis, LLC.

**Speonk Commons**

The proposed project would introduce 51 dwelling units (including one superintendent’s unit), consisting of 10 studios, 25 one-bedroom dwellings, and 16 two-bedroom dwellings. Further, we also considered an interpretation of Section 330-108 of the Town Zoning Code, which would result in only one person (presumably an adult) residing in the studio units. Based on that premise, and the price points provided in the table, we estimate that the proposed project would generate approximately six (6) students (rounded to the nearest whole number), based on the parameters set forth in **Table 4** below.

**TABLE 4  
STUDENT GENERATION – PROPOSED PROJECT**

Type of Dwelling	Number of Bedrooms	Number of Units	Gross Monthly Rent (MF) or Market Value (SF)	School Age Children Multiplier	School Age Children
Multifamily (MF)	0	10	>\$1,000	0	0
Multifamily (MF)	1	25	>\$1,000	0.08	2
Multifamily (MF)	2	16	>\$1,100	0.23	3.68
Total	----	51	----	----	5.68

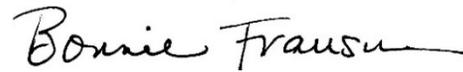
Source: Rutgers University, Center for Urban Policy Research; Analysis by Nelson, Pope & Voorhis, LLC.

Thus, under the above scenarios, the proposed development would generate a number of students that is less than the existing nonconforming scenario because of the mix of housing types and bedrooms in each. As shown, when the number of bedrooms are increased in the single-family dwellings in the existing nonconforming scenario as allowed under Town Code, the number of students further exceeds that of the proposed project.

The fiscal effects of the proposed project and other scenarios, including the existing nonconforming scenario, will be detailed at such time that an application is submitted and the SEQRA process commences. Should you require any additional information, please do not hesitate to contact us.

Sincerely,

**NELSON, POPE & VOORHIS**

A handwritten signature in black ink that reads "Bonnie Franson" with a horizontal line extending to the right.

Bonnie Franson, AICP CEP  
Associate Environmental Planner

cc: Charles J. Voorhis, CEP, AICP