



Hudson River Housing Plus One ADU Program Fact Sheet

Email for questions only: plusoneadu@hudsonriverhousing.org or call (845) 454-5176 x107

WHAT HAPPENS AFTER I SUBMIT MY HUDSON RIVER HOUSING PLUS ONE ADU APPLICATION BY UPLOADING IT?

1. APPLICATION REVIEW PROCESS

Applications are accepted on first come first served basis. Once submitted, your application will be reviewed for eligibility and completeness.

To be considered for funding, applicants must meet the following minimum criteria:

A. Zoning Compliance

- The property must be located in one of the participating municipalities in Dutchess County and meet local zoning requirements. ADUs must be allowed by-right, by special use permit, or through site plan review in your zoning district.
- The property must not have any outstanding zoning code violations.
- Taxes must not be in delinquent state.

B. Building & Site Requirements

- The property must have sufficient space to meet building code and setback requirements, including any needed upgrades to private septic or infrastructure systems.

C. Household Eligibility & Need

- **Income Eligibility:** Household income must fall at or below 120% of the Dutchess County Area Median Income (AMI), adjusted for household size.
 - **Demonstrated Need:** Applicants must show they are unable to afford the construction of an ADU project without this grant (e.g., limited personal savings).
 - **Primary Residence:** The property must be the applicant's primary residence and owner-occupied.
 - **Rental Status:** No other rental units may exist on the property at the time of application.
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2. Scoring Criteria

Applicants who meet the minimum eligibility criteria will be invited to complete Part Two of the Plus One ADU Application. In this stage, applications will be reviewed and scored based on project feasibility, cost, and the applicant's written narrative responses.

Each scoring category includes defined benchmarks where points are either awarded in full or not awarded at all, with a total of up to 100 points possible. Projects that are shovel-ready at the time of submission will receive priority in the scoring process but will still be reviewed and ranked alongside all eligible applications.

a) Project Narrative (up to 85 Points)

Applicants will be asked to respond to four narrative questions, each worth up to 5 points, for a total of up to 20 points in this section. Each response has a 500-word maximum.

1. **Envisioned Project - Description (20 Points):** Describe in detail your proposed plan to construct or renovate an Accessory Dwelling Unit (ADU) on your property.
2. **Envisioned Project - Intended Occupant (10 Points):** Who do you plan to have occupy your ADU.
3. **Specific Need - Financial and Personal Impact (20 Points):** Explain how this grant and/or the anticipated supplemental rental income may help meet a

financial or personal need. Include why this program represents your only viable opportunity to construct or renovate your ADU.

- 4. **Specific Need - Project Funding Plan (35 Points):** Understanding that construction costs may exceed the \$112,500 grant cap, describe how you plan to fund any remaining project costs beyond the grant amount.

b Additional Affordability Commitment (10 Points)

Applicants who commit to renting the ADU to a tenant earning at or below 80% of HUD's Dutchess County AMI for the 10-year affordability period will receive full points.

	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
Dutchess	\$68,900	\$78,750	\$88,600	\$98,400	\$106,300	\$114,150	\$122,050	\$129,900

2025 Dutchess County 80% AMI Limits established by HUD

c) Permitting Readiness (5 Points)

Projects that can move forward without requiring a zoning variance or lengthy municipal review (e.g., ADU is allowed by right or via site plan/special use permit) will be awarded points.

Note on Assets and Application Eligibility

Asset Income Calculations:

There are no asset (savings, retirement accounts, investments, etc.) limits attached to Hudson River Housing's Plus One ADU Program. However, we are required to calculate the actual or estimated income that your assets may generate when determining household income eligibility. We use the current HUD passbook rate—6.1%—or the actual income generated from the asset, whichever is higher.

Example:

If your household of four has a gross annual income of \$50,000 and \$100,000 in checking, savings, or investment accounts:

If your assets produce only \$2,000 annually, but HUD's passbook rate would calculate \$6,100 (6.1% of \$100,000), Then we must add \$6,100 to your income, making the total considered income \$56,100. This applies regardless of whether the asset is currently producing income. Non-liquid assets such as vehicles or personal belongings are not

included. If you plan to use part of your assets to pay for ADU costs beyond the grant award, that amount can be deducted from your asset total during eligibility review.

Requests for Additional Information:

Applicants are expected to respond promptly to any requests from Hudson River Housing for additional documentation. Failure to do so may result in your application being deemed ineligible.

Ineligible Applications: Applications will be denied if they do not meet eligibility requirements or if the home has conditions outside the scope of program support. This includes:

- Major pest infestations or environmental concerns
- Unresolved building or zoning violations
- Excessive debris or hoarding
- Lack of utilities or unsafe living conditions

If your application is not eligible for this program, Hudson River Housing may be able to refer you to other resources. Reach out to our team for more information.

2. MY APPLICATION WAS APPROVED! WHAT HAPPENS NOW?

If your application is approved, your ADU project may receive up to \$125,000 in grant funding (which will include 10% for program delivery) to support the creation of a new accessory dwelling unit (ADU) on your property in Dutchess County. Funding amounts are based on need and project readiness.

Plus One ADU Program grant funds cannot be used for:

- Reimbursement of work already completed
- Labor performed by the homeowner
- Ineligible uses not approved under the program guidelines

Funds will be paid directly to licensed contractors and disbursed only after written approval from the homeowner and Hudson River Housing. Some engineering,

architectural, or permitting costs may also be covered if included in the funding award prior to contracting for these services.

Funding will be secured through a grant which will be recorded in the Dutchess County Clerk's Office as a declining lien balance on the property (This is typical for all HCR grants). The homeowner must reside at the property for the full 10-year compliance term. Each year of compliance earns a 10% reduction in the total lien. If the home is sold or falls out of compliance before 10 years, partial repayment may be required.

Homeowner Tasks and Responsibilities

Home Inspection and Testing

The homeowner will allow Hudson River Housing access to inspect your home to determine project feasibility and scope of work. Additional inspections may occur throughout construction. The inspection process may include photographing the home and testing for lead, asbestos, or other environmental hazards—costs which are covered by the program.

You may be required to:

- Move personal items from work areas
- Keep children, pets, and guests away from construction zones
- Complete small tasks such as painting or installing smoke/CO detectors
- Pay for temporary relocation if your home becomes uninhabitable during construction

Contractors

You must obtain at least **two** contractor estimates. Hudson River Housing may help bid the project, but homeowners may also solicit estimates. Contractors must meet insurance and licensing requirements.

Permits and Code Compliance

The contractor is responsible for obtaining building permits. You must help with signatures or additional documentation as required. Open permits for previous work must be closed out prior to funding approval, at your own expense. All infrastructure upgrades required by local code are considered eligible uses of grant funding.

Architectural and Engineering Costs

Most municipalities will require stamped plans or site drawings for new construction. These costs are covered if the project moves forward. If the results of the engineer/architect inspection show that the project cannot be completed based on

structural deficiencies that cannot be corrected or other hindrances then the project will be canceled, and the cost of the engineer/ architect will be funded by the program with no cost to the homeowner if the project is rejected by Hudson River Housing. If the homeowner cancels the project, the homeowner may be responsible for this expense.

Out-of-Pocket Costs

Any costs above your Plus One ADU award minus the program delivery fee (10%) will be the homeowners responsibility.

Insurance Requirements

You must maintain homeowner's insurance covering the full replacement value of the improved property, including all work-in-progress. Additional coverage may be required once construction begins.

Construction Management and Payments

All construction management, including financial payments to the contractor(s), will be conducted by Hudson River Housing, Inc.

The property owner will be required to sign all construction contracts between themselves and the

Builder/Contractors and agree to the program timelines. Any homeowner who cannot meet the project timelines

will not be selected. All progress payments will be approved by the homeowner and Hudson River Housing. If the homeowner

refuses or cannot sign off on payment to the contractor, and Hudson River Housing and the building department find no flaw in

the work or materials provided or contract default, the Owner agrees that RUPCO has the right to pay the

contractor without owner approval. Hudson River Housing, your local municipality, NYS Division of Housing and Community

Renewal, and HUD do not litigate and will be held harmless regarding contractor/owner disputes.

Project Cancellation

If you back out after funds have been disbursed (for testing, design, or construction), you will be responsible for repaying those amounts—even if the project is not completed. This is treated similarly to a construction loan. If the project is completed and you comply for 10 years, the entire grant is forgiven.

3. THE WORK WAS COMPLETED! WHAT HAPPENS NOW?

Once construction is completed, a grant that is recorded with the county as a declining lien balance on the property will be placed on your home through a Declaration of Restrictive Covenant, which will be recorded in the Dutchess County Clerk's Office. This covenant outlines your responsibilities as the homeowner to remain in compliance with the program for ten (10) years.


The total lien amount will reflect the actual funding used—including any approved administrative or program delivery costs. Each year that you remain in compliance, 10% of your lien is forgiven, until the entire amount is waived at the end of year 10.


If you sell the home, stop living there, violate the terms of the agreement, or otherwise fall out of compliance during this 10-year period, you may be required to repay a prorated amount of the grant funds.


For questions about lien releases or payoff amounts, contact:

Hudson River Housing

313 Mill Street, Poughkeepsie, NY 12601

 plusoneadu@hudsonriverhousing.org

 845-454-5176 x107

 www.hudsonriverhousing.org

Homeowner Responsibilities During the 10-Year Regulatory Period

1. Annual Verification of Owner-Occupancy

Each year, you will be required to submit a signed statement confirming that you are still the owner-occupant of the primary residence. Re-certification of income is not required after initial eligibility.

2. Maintenance

You are responsible for maintaining both the main residence and ADU in safe, habitable condition. Any repairs or upgrades completed using program funds must remain intact and functional for the entire 10-year term. Failure to maintain the property or allowing the unit to fall into disrepair may result in program non-compliance and trigger repayment obligations.

3. Rental Monitoring

If you committed to renting the ADU to tenants at or below 80% of the HUD Area Median Income (AMI)

- Each tenant must sign an income attestation form
- Income verification is required each time the unit is rented to a new tenant

- Hudson River Housing will provide a disclosure form to be included in your lease agreement stating that the unit was created using public funds and must remain affordable

4. **Year-Round Occupancy**

The ADU must be rented as a permanent, long-term housing unit. Use as a short-term rental, seasonal, or vacation rental is strictly prohibited and will be considered a violation of the program terms. If the unit becomes vacant, you are expected to make a good faith effort to re-rent the unit promptly to a qualifying tenant.

5. **Ongoing Compliance Homeowners must:**

1. Maintain adequate homeowner's insurance
2. Add Hudson River Housing or other designated program entities as additional insured
3. Stay current on property taxes and mortgage payments
4. Ensure compliance with local and state housing and rental codes

6. **Sale or Transfer of Property**

If the property is sold or transferred during the 10-year period:

1. If the buyer has an income above 120% AMI, the remaining lien must be repaid on a declining balance schedule
2. If the buyer is at or below 120% AMI, they may assume the remaining term and responsibilities by signing a formal assumption agreement
3. Failure to complete this agreement may result in immediate repayment of the remaining lien balance

Note: *This fact sheet summarizes key homeowner responsibilities. A full list of program requirements, restrictions, and legal obligations is included in your funding agreement and the Declaration of Restrictive Covenant. Please refer to those official documents for complete guidance.*