

New York State Homes and Community Renewal Request for Proposals

Plus One ADU Program

For the creation and improvement of Accessory Dwelling Units



**Homes and
Community Renewal**

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Purpose

The Housing Trust Fund Corporation (“HTFC”) as part of New York State Homes and Community Renewal (“HCR”) invites eligible applicants to apply to administer the Plus One ADU Program, an initiative to create and improve Accessory Dwelling Units (ADUs). This RFP describes the purpose for which the available funds are to be used and the methodology for disbursing those funds.

Through this RFP, HTFC plans to make up to **twenty million dollars (\$20,000,000)** available to **ten (10) eligible applicants** for the administration of the Plus One ADU Program. As such, ten million dollars (\$10,000,000) shall be available to applicants within New York City and Long Island and ten million dollars (\$10,000,000) for the rest of the state. Eligible applicants are invited to submit applications for funding to cover grants to eligible homeowners and for the anticipated costs associated with program delivery.

Applications must be submitted via email to NOFA.Applications@hcr.ny.gov no later than **3:00 PM (EST)** on **November 10, 2022**. The initial contract shall be for **two (2) years**, with the potential for an extension depending on the need and at the discretion of HCR staff.

Program Overview

By working with units of local government and community development partners, Plus One ADU will provide a full-service program to support low- and middle-income single-family homeowner occupants who wish to build a new ADU on their property or improve an existing ADUs that needs to be brought into compliance with local and state code requirements. Depending on the property and what the locality permits, ADU’s may be small, stand-alone (detached) units on single-family lots, basement apartments, garage conversions, or other permitted units.

Background

The 2022-2023 NYS Capital Budget made available \$85,000,000 for the purposes of creating and upgrading accessory dwelling units across the state, as part of a five (5) year Housing Plan. Since each community’s need for ADUs are different, HTFC is initially making funding available, to select awardees, with the aim of crafting community-specific programs for generating safe, quality ADUs. HCR anticipates subsequent opportunities for ADU funding.

Eligible Applicants

Competitive applications must include partnerships between a non-profit housing organization and a municipal or county government. Either the governmental or non-profit entity may serve in the role of the lead Applicant and the proposal should specify which entity is the lead.

Eligible Activities

Applicants selected by HTFC to administer the Plus One ADU Program (the “Awardees”) will be expected to work with HCR staff to create a work plan, which shall include, pre-development activities, construction oversight and post construction monitoring.

1. Pre-development Activities:

Awardees will identify low- and moderate-income homeowner occupants who wish to add an ADU to their property or make capital repairs to an existing ADU. In all cases, awardees will be required to cap

participation of homeowners with household income of no more than **one hundred percent (100%) AMI** for the County or MSA, adjusted for family size and all ADUs must be permitted by the locality

Awardees will establish standards for eligibility and perform assessments of potential homeowner participants to include current mortgage debt and affordability, building violation searches, documentation of good standing for any existing mortgages, and other due diligence to determine the likelihood that the homeowner participant will maintain the property in good financial and physical health.

Awardees will oversee the pre-development process including design, budgeting, permitting, environmental assessment, appraisals, and other required due diligence to secure funding from HTFC or other needed sources.

Awardees will secure the services of appropriate design professional(s). Each property must have plans and an identified scope, which complies with design standards approved by HCR staff.

Prior to the formal commitment or expenditure funds, the environmental effects of each program activity must be assessed in accordance with the State Environmental Quality Review Act ("SEQRA") at 6 NYCRR Part 617.

2. Construction Oversight:

Awardees will oversee all aspects of the construction process from contractor bidding and selection, compliance with MWBE utilization standards, general construction oversight and coordination between property owners and contractors, preparation of payment requests and other essential activities to ensure efficient construction for each ADU.

3. Post-Construction Monitoring:

Awardees are required to enter a Regulatory Agreement, and associated declining balance enforcement documents, with the participating homeowners for the **Regulatory Period** which shall not be less **ten (10) years**.

Compliance monitoring will include the collection of annual compliance certifications including confirmation that the ADU is being used as permanent housing rather than as a short-term rental', and site visits every two years to ensure appropriate property maintenance and quality housing standards, among other standards. The Awardee is expected to assist with the completion of the compliance documentation from homeowners as needed.

Eligible Costs

Applicants are required to **provide a program budget** in their application. Proposed budgets should consider:

Award requests **should not exceed \$2,000,000**. HTFC will not consider applications with a request of over \$125,000 per unit, including program delivery costs.

Up to **ten percent (10%) of the requested award** may be budgeted for program delivery, including costs such as staff time and materials for program management, legal, accounting and auditing expenses, insurance, marketing and outreach expenses, and a compliance monitoring fee.

Funds will be paid as Awardees achieve milestones in the program delivery. Disbursement schedules will be determined by HCR staff prior to the execution of a program Agreement.

Proposal Costs and Materials

HTFC nor HCR will not be held liable for any cost incurred by the applicant for work performed in the preparation, production, or submission of a proposal in response to this RFP. All proposal materials and information submitted as part of the application shall become the property of HTFC. No materials, curricula, media or other content will be returned to the applicant.

Evaluation and Selection Criteria

Applicant proposals will be examined for completeness and eligibility. Incomplete proposals and those that do not meet eligibility requirements may be rejected as ineligible. Complete proposals and those that meet eligibility requirements will be reviewed and rated.

Applications should include a PDF attachment that responds to the following criteria. This **PDF should not exceed eight (8) pages** in length. After initial scoring, supplemental information may be requested by HCR staff for tie-breaking purposes, if necessary.

In addition, eligible applications must contain a letter or resolution from the non-profit organization and from the municipal or county government in the partnership reflecting support for the proposed undertaking, and the proposed roles and responsibilities for each.

The maximum rating is 100 points.

1. Capacity & Experience: (maximum of 25 points)

- Applicant demonstrates a strong record of success in project development and managing construction/rehabilitation of single-family homes.
- Applicant demonstrates a strong record of success in providing homeownership counseling and technical assistance to low- and moderate-income homeowners, including the capacity to monitor homeowner compliance throughout the Regulatory Period.

2. Feasibility of Proposal: (maximum of 25 points)

- Applicant outlines the goals for ADUs in the subject community (legalizing existing ADUs, multi-generational housing, workforce rental housing, bolstering financial stability for low-income homeowners, etc.)
- Applicant identifies and explained target neighborhood(s).
- Applicant demonstrates that existing zoning and other applicable building codes allow for ADUs.
- Applicant presents a proposed project budget that clearly enumerates expected pre-development, development, and compliance monitoring expenses.

- Applicant demonstrates that the community has committed to facilitating a RP-421-f property tax exemption for any increase in value from the ADU improvement or creation, where applicable.

3. Cost-Effectiveness of Proposal: **(maximum of 25 points)**

- Applicant demonstrates the availability of other resources to supplement the cost of creating or improving ADUs. Where affordable and feasible for target communities and homeowners, HTFC would consider the development of concepts to leverage dollars through repayable loans.
- Applicant outlines a realistic process for undertaking a cost efficient, comprehensive, and supportive process for building or improving ADUs in cooperation with homeowner participants.

4. Ability to Generate Demand: **(maximum of 25 points)**

- Applicant presents a marketing plan and strategy for identifying participating homeowners;
- Applicant demonstrates an existing inventory of potential homeowner participants.

All completed applications will be reviewed and scored. HTFC reserves the right to:

- Award all, a portion of, or none of the program funds based upon funding availability, competitiveness of applications received, feasibility of achieving project goals and objectives and completing proposed activities.
- To change or disallow aspects of the applications and may make such changes conditions of its commitment to provide funding.
- To recommend funding in an amount less than requested.
- To not issue an award or grant agreement to any applicant if it has been determined that the applicant is not in compliance with existing state contracts and has not taken satisfactory steps to remedy such non-compliance.
- Waive any requirement contained in this RFP.
- Revise this RFP from time to time.
- Extend the submission due date.

Application and Award Timeline

HTFC reserves the right to modify this schedule, at its discretion. Notification of changes in connection with this RFP will be posted and made available to all interested parties via <https://hcr.ny.gov/funding-opportunities>

On September 27, 2022 the deadline for application submissions was extended from October 28, 2022 to November 10, 2022. Here is the revised Award Timeline:

Issuance of RFP	Wednesday, September 14, 2022
Deadline for Submission of Proposals	Thursday, November 10, 2022 at 3:00 PM (EST)

Revised Proposal Period and Interview(s) (if applicable)	Monday, December 5, 2022 – Friday, December 16, 2022
Anticipated Preliminary Award Selection (award(s) will be contingent on HCR Board approval, which may occur after this date)	Monday, January 16, 2022

Award Recommendations and Board Approval

Awards are recommended based on available funding, proposal quality and project feasibility as determined by the review and rating of an application. The evaluation and selection criteria are detailed in the RFP. Recommendations are advanced to the appropriate HCR Board for consideration and the award must be approved by that Board prior to the execution of a grant agreement.

Application Status and Notification

Applicants will receive one of the notifications below in response to their application:

- Incomplete: Application presents potentially eligible project but provides insufficient information. Applicant will be provided an opportunity to submit additional documentation.
- Non-Award Notification: Application presents an incomplete, non-competitive, not viable project and will not receive an award under this RFP.
- Preliminary Award Notification: Application presents a complete, eligible, competitive and feasible project. The project has been recommended to and approved by HTFC Board of Directors for funding.

Program Grant Agreements

Awardees may be asked to revise parts of their proposal prior to entering into a program grant agreement. After any required revisions are submitted and approved, a final program grant agreement will be executed. The program grant agreement will require that Awardees expend all funds and meet all program goals within a two-year (2) term with the possibility for an extension, at the discretion of HCR staff.

An applicant should not apply if the project will not begin within a reasonable time after receiving an executed grant agreement or will not be able to complete the project within the term. Funds remaining at the end of the term are subject to de-obligation and reallocation.

Equal Employment Opportunity/Minority and Women Owned Business and Affirmative Action

Under Article 15A of the New York State Executive Law, all award recipients and their contractors are required to comply with the equal employment opportunity provisions of Section 312 of that Article. Also, all contractors and awardees are required to make affirmative efforts to ensure that New York State Certified Minority and Women-Owned Business Enterprises are afforded opportunities for meaningful participation in projects funded by HTFC pursuant to Section 313 of the Article.

All MWBE firms used to satisfy this requirement must be certified as such with the State’s Empire State Development (“ESD”). All SDVOB firms used to satisfy this requirement must be certified as such with the State’s Office of General Services.

Affirmative Action Policy Statement: It is the policy of the HCR to provide equal opportunity to all people without regard to race, color, sex, religion, age, national origin, disability, or sexual orientation.

Questions

Any questions regarding this RFP or the application process should be directed to: NOFA_Applications@hcr.ny.gov