

Vacant Rental Program (VRP)

ACCORD Landlord Manual

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I. INTRODUCTION

A. Overview

The Vacant Rental Improvement Program (“VRP”) is intended to support repairs and rehabilitation of vacant rental units and other vacant spaces to increase the supply of apartments for low and moderate income renters.

Information referred to in this manual can be found on the HCR website at:

<https://hcr.ny.gov/VRP>

II. PROJECT SELECTION

1. Process for Selecting Applications

ACCORD will utilize print and online media to announce the VRP program is accepting applications. The initial application window will remain open for 15 business days to ensure quick selection of projects.

Projects will be selected for initial review based on prioritization scoring. In the event two projects score the same and both projects cannot proceed, the date of application will be used for tie breaking purposes.

Applications will be reviewed for completion and an initial visit scheduled for all applications with 5 priority points or higher. The initial visit will be used to determine vacancy, unit eligibility, number of repairs needed, and to take pictures of the unit. The information gathered will be reviewed by ACCORD’s management team to determine if the project is feasible.

For units that are deemed viable, a full inspection of the unit will be scheduled to determine scope of work and bid specifications.

Applications that score between 0-4 will be notified that their application has been received and will be processed in the event additional projects are needed. These applications will be reviewed at the end of the round and processed by prioritization score as funding allows.

If the program does not receive enough interest in the first round of applications, additional rounds may be conducted.

2. Funding Awards to Participants

ACCORD will advise applicants of the status of an application within 30 days of receipt of the application. Conditional or contingent awards may be made to applicants (e.g., contingent upon property owner receiving needed supplemental funding); however, any such award offers must specify a reasonable but limited and defined time period for the conditions of the award to be met due to the overall 24-month grant period.

VRP requires projects to lead to a complete and occupiable unit upon completion. If the VRP award is not sufficient to complete all work, ACCORD will confirm that the Property owner has the additional funding to pay contractors for the completion of all work. Therefore, ACCORD will only make an award to a property owner if either:

- The award amount is sufficient for completing all rehabilitation work to

- produce a complete and occupiable unit, OR
- The property owner adequately demonstrates that sufficient additional resources are available or committed, or an acceptable plan is in place, to complete any work that VRP funds are not able to cover produce a complete and occupiable unit upon completion of the project.

A final disbursement shall not be made for a project until ACCORD confirms that the unit is complete and occupiable.

B. Eligible Activities

1. Eligible Rehabilitation Activities

Funding will be used for rehabilitation of existing eligible vacant units and spaces into decent, safe, and affordable rental units. **Rehabilitation activities must be necessary to turn vacant units into habitable and marketable rental units, as determined by ACCORD.**

Rehabilitation activities may include health and safety improvements, correction of code violations, access and egress improvements, environmental remediation, and other reasonable improvements determined by ACCORD as necessary to convert vacant units into habitable and marketable rental units.

The following guidelines will apply with respect to eligibility of activities:

- Site work: site work is generally ineligible but may be considered if:
 - It is specifically required for the repair or ongoing maintenance of the structure itself (e.g., re-grading around foundation to fix basement flooding issues)
 - It is required for building accessibility purposes
- Fixtures:
 - Permanent fixtures are allowed as an eligible use of funds (e.g., built-in cabinets, bathtub, etc.)
 - Removable fixtures and appliances are an eligible use of funds if necessary for the rental and occupancy of assisted units.

2. Ineligible Activities

The following activities are expressly prohibited using VRP Funds:

- Landscaping
- Pool or pool repairs
- Luxury improvements that are not consistent with the standard of “non-luxury housing” with suitable amenities
- Additions or new construction
- Decks (allowed if existing structure is a safety hazard/not code compliant)
- New outbuildings
- Electronics (security cameras, smart home devices, etc.)
- Regular property maintenance and operating costs
- Property insurance, property taxes, and debt payments

3. Activity Eligibility Determination

ACCORD is responsible for determining if a rehabilitation activity is eligible. ACCORD will document its determination of the eligibility of rehabilitation activities based on this policy within each Project File. Repairs completed prior to selection

and award by ACCORD are not eligible for reimbursement.

C. Eligible Costs

1. Award Options and Limits

ACCORD will educate Property Owners about the two award options and provide the Property Owner the choice of award type. Maximum project costs are based on the type of award selected and received by a Participant:

- Standard VRP Award: Project costs up to \$50,000 per eligible vacant unit. The compliance requirement for this award is to rent to tenants with household income up to 80% of Area Median Income (AMI) at a monthly rate affordable to the 80% AMI level (see Section VII. Part A for details on maximum allowable monthly rent).
- Enhanced VRP Award: Project costs up to \$75,000 per eligible vacant unit. The compliance requirement for this award is to rent to tenants with household income up to 60% of Area Median Income (AMI) at a monthly rate affordable to the 60% AMI level (see Section VII. Part A for details on maximum allowable monthly rent).

2. Match/Leverage of Funds

Grant assistance through VRP does not require matching funds from a participating property owner and ACCORD will not require a participant to provide matching funds as a condition for receiving an award.

However, there must be available or committed funds, or an acceptable plan, to cover any work that a VRP award will not be sufficient to cover for the project to result in a complete and occupiable unit.

Under no circumstance shall VRP funds go a property owner for work that the owner completes. This includes the prohibition of VRP funds being used for materials only for work completed by the owner.

D. Eligible Properties and Units

1. Eligible Properties

The following properties are eligible for participation in the program:

- 1-5 unit residential building
- Mixed-use building with up to five (5) residential units
- Any building that will be converted to a 1-5 unit residential building or mixed-use building with up to five (5) residential units

Five-Unit Limit:

The five-unit limit applies to all housing units in a property and not just the assisted units. The unit limit applies to both the before-construction and after-construction condition of the property. That is, a building that currently has more than 5 units is not eligible for assistance and a building with five units or fewer cannot be converted to a building with more than five units with VRP funds.

Legally Permissible Requirement:

The final completed project must be legally permissible at the time grant funds are

formally committed through a participant agreement. Projects that include a proposed change in the use of a building are an eligible use of VRP funds as long as all local approvals are obtained, and the appropriate site-specific environmental review documents are submitted prior to the start of construction.

Ineligible Properties:

The following properties are expressly ineligible for participation in VRP:

- Mobile and manufactured homes
- Properties in foreclosure
- Detached accessory structures (unless previously used as a legal housing unit, as verified by ACCORD)

2. Eligible Units

Unit Definition:

For the purposes of VRP, a “unit” shall be defined based on the U.S Census Bureau Definition:

A house, an apartment, a group of rooms, or a single room that is occupied, or, if vacant, is intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other persons in the building and which have direct access from the outside of the building or through a common hall.

For vacant units, the criteria of separateness and direct access are applied to the intended occupants wherever possible.

ACCORDs will be responsible for making the final determination of what constitutes a unit within a given property, based on the above definition.

Eligible Units by Property Type:

Existing vacant rental units or existing vacant buildings and units that will be converted to restricted rental units are eligible. The following are examples of eligible units by property type:

- **Multi-family Property Units:** Vacant units in multi-family properties (5 units or fewer) are eligible.
- **Single-family Property Units:** A vacant single-family home is eligible if it will be used as a long-term rental (non-owner-occupied).

Vacant single-family homes may also be converted to rental properties of up to five (5) units. In this scenario, the owner may not live in any unit that was assisted with VRP funds.

Occupied single-family homes are generally ineligible unless the home includes a separate legal and eligible vacant housing unit such as an “in-law apartment.” ACCORD must verify the unit has previously been used as a separate housing unit. As an example, the owner of a single-family home may not convert a vacant attic into a rental unit using VRP funds unless the attic was previously used as a separate and legal housing unit.

- **Non-residential Properties:** Vacant non-residential properties are eligible for conversion to up to five rental units, if allowable by code. Vacant non-

residential properties may also be eligible if being converted to a mixed-use building, provided that VRP funds are strictly limited to work completed for the rental units alone (see section below).

- **Mixed-use Properties:** Vacant units in mixed-use properties are eligible. Vacant spaces in a property that will become a mixed-use property may be eligible if ACCORD verifies that 1) the vacant space is a discreet/separate space, and 2) the space is uninhabitable or unmarketable due to its current condition OR because it is now functionally obsolete space for which there is no need or demand. For example, a vacant Class C second floor office suite for which there is no demand, and is therefore “unmarketable”, would be eligible for conversion to rental units if all other VRP requirements are met.

Vacancy Status:

A unit receiving VRP assistance must be determined by ACCORD to be an eligible vacant unit. A unit is considered an eligible vacant unit if it is unoccupied or not legally rented at the time grant funds are committed **specifically because the unit is in uninhabitable OR unmarketable condition (as determined by ACCORD).**

For the VRP program, the following definitions of *uninhabitable* and *unmarketable* will apply:

- **Uninhabitable:** The unit does not meet the typical minimum criteria as a safe and legally occupiable housing unit. If the unit is not fully code compliant for residential use, it is by definition uninhabitable. Examples include (but are not limited to):
 - Water leak and presence of mold
 - Lack of plumbing/bathroom/kitchen facilities
 - Lack of adequate heat
 - Unsafe structural condition(s)
 - Does not meet code for fire suppression system and/or access/egress
- **Unmarketable:** The condition of the unit is generally poor and is undesirable as a housing unit due to its current quality. An unmarketable unit does not meet what would reasonably be considered acceptable conditions for decent and quality housing. Examples include but are not limited to:
 - Extensive peeling paint
 - Old/stained carpets
 - Damaged walls/ceiling
 - Inadequate kitchen/bathroom facilities
 - Poor light and/or ventilation

Tenant Displacement:

An existing tenant cannot be relocated, evicted, or otherwise displaced for the purposes of receiving program funds based on vacancy status. This includes forced displacement by the landlord or voluntary displacement by the tenant (i.e., an existing tenant cannot temporarily move out so that the unit is considered vacant and move back into the unit after it has been rehabilitated).

Vacancy Verification:

ACCORD is responsible for determining that a unit is eligible based on vacancy status using the above guidelines. A signed attestation from the Property Owner is required and ACCORD will conduct a site-inspection prior to executing a participant agreement to confirm vacancy status. ACCORD may require a property owner to provide additional verification of vacancy status as ACCORD deems necessary for

determining vacancy status.

There is no minimum time period that a unit must have been vacant for to be eligible for VRP funding. However, ACCORD will request length of vacancy as part of verifying vacancy status and that no tenant displacement has occurred.

E. Eligible Property Owners

1. Types of Owners:

All owner participants should be the intended ongoing property owner for the duration of the 10-year regulatory period. Specific policies and procedures will apply in the event of an owner desiring to sell or transfer a property during the regulatory period (see section VII. Part C for details).

Property owners must be legally able to participate at time of participant agreement execution, which includes being able to file the required security instrument (see section VII. Part C) and abide by all program policies and procedures. All owners must sign the required program documents including the participant agreement and security instrument.

Examples of eligible property owners include:

- Private individual(s)
- Not-for-profit Organizations
- Public or Quasi-Public Entities
- Eligible Business Entities (e.g., LLCs)
 - Business entities are required to disclose all principals and provide a copy of their operating agreement. Personal guarantees and signatures are required from all principals on documents including Participant Agreement and Declaration of Interest.

2. Owner Occupants:

Owner-occupation of a property is not required for a property owner to participate in VRP.

An owner-occupant is eligible to participate in VRP, subject to certain conditions as follows:

- The owner may not live in a unit that is rehabilitated with VRP funds for the duration of the 10-year regulatory period.
- The owner may not “rent to themselves” to be able to live in a restricted rental unit.
- Limited work may be completed in an owner-occupied unit if deemed necessary as part of the VRP assisted rehabilitation project. Any work completed in an owner-occupied unit requires a waiver from OCR.
- If a waiver is received for work in the owner’s unit, the maximum grant award will still be based only on the number of eligible vacant units.

3. Forms of Ownership:

ACCORD must obtain documentation of ownership. The following forms of ownership are permissible:

- Ownership in fee simple title.
- Ownership of unit with long-term land leasehold interest.

- Condo or co-op unit ownership – with condo/co-op board approval.
- Life estate or beneficiary deed ownership whereby two (2) or more people each have an ownership interest in a property. The person holding the life estate (“life tenant”) possesses the property during their life. The other owner(s) or future interests (“remainderman”) automatically take possession of the property upon the death of the life tenant. The life tenant may qualify for program assistance on the following conditions:
 - Life tenant does not pay rent
 - Application discloses the existence of the life tenancy
 - Deed names the life tenant and each remainderman
 - Life tenant and remainderman (all owners listed on the deed, or beneficial parties) must sign, witnessed by a Notary Public, the Participant Agreement, and the Declaration of Interest agreeing to repayment obligations placed on the property.
- Inherited property – occupant shares ownership with other non-resident heirs, but pays all costs of ownership; all who share ownership must sign the Declaration of Interest

Right to possession under a contract for deed, installment contract, or land contract (pursuant to which the deed is not given until the final payment is made) is not ownership.

The ownership interest may be subject only to mortgages or other liens or instruments securing debt on the property or any other restrictions or encumbrances that do not impair the good and marketable nature of title to the ownership interest.

Note that a property in foreclosure is specifically prohibited from participation. All owners or beneficial parties must sign the Declaration of Interest.

4. Responsible Owner Requirement:

The intent of VRP is to provide assistance for property owners that have a proven track record of serving as fair and responsible landlords and being good stewards of their properties. As such, Applicants must be determined by ACCORD to be “responsible owners” rather than bad actors.

The table indicates the minimum criteria required for a signed attestation from the property owner(s) and the minimum criteria ACCORD is required to collect documentation for.

Responsible Owner Criteria		
Criteria	Signed Attestation Requirement	ACCORD Documentation Verification Required
Current on mortgage payments (and any loans secured by the property)	✓	✓
Current on all property taxes	✓	✓
Current on utility payments	✓	✓

Has current comprehensive property insurance policy	✓	✓
Not in bankruptcy	✓	
No outstanding federal, state, or local liens on the property	✓	
No history of Fair Housing violations	✓	
Not under current investigation by: Dept. of Health, EPA, HUD, state agency or local government for law or regulation violation	✓	

The following documents must be submitted with an application for assistance:
 A list of all residential and non-residential real estate owned (or have interest in) by the applicant(s) in Allegany County.
 A copy of the recorded deed to the property with legal description attached (Schedule A) proving legal ownership.
 Proof owner is current on utilities – copies of the most recent utility bills – electric, heat, water/sewer.
 A copy of the declarations pages of the applicant’s current property insurance policy stating the policy period, amount of coverage and listing of all mortgages and/or liens against the property. The property owner must also maintain fire insurance coverage. If the property is located in a floodplain, the property owner must currently have or must obtain flood insurance in order to be considered eligible for program funds.
 A copy of the property owner’s most recent **PAID** County (and City/Village/Town) and School tax bill if applicable.
 A copy of the property owner’s most recent **PAID** Mortgage Statement if applicable
 Copies of the most recent utility bills (e.g., electric, heat, municipal water/sewer, Spectrum, etc.) and identification that proves residency in Allegany County.

Further, the property owner must be compliant with any previous loan/grant programs and maintain current comprehensive property insurance policies.

All criteria will be consistently and fairly applied to all applications and documented in each Project File.

F. Prioritization and Award

By carefully prioritizing landlords for the VRP program, ACCORD can make consistent, informed decisions that benefit both landlords and tenants.

1. Prioritization

Local Ownership

Rationale: Local ownership aligns with community interests and can contribute to local economic stability.

Scoring:

2 points: Owner’s primary permanent residence is in Allegany County.

Landlord Experience

Rationale: Experienced landlords may have a better understanding of tenant management,

property maintenance, and local regulations.

Scoring:

1 point: Landlord has owned rental properties for 2+ years.

Rental Assistance Program Experience

Rationale: Experience with rental assistance programs can indicate familiarity with government regulations and tenant eligibility requirements.

Scoring:

2 points: Landlord has participated in a rental assistance program for at least 1 year out of the last 3 years.

Number of Units

Rationale: Smaller landlords may be more focused on providing personalized service and have a better understanding of their tenants' needs.

Scoring:

2 points: Landlord owns 10 or fewer units.

1 point: Landlord owns 11-20 units.

0 points: Landlord owns more than 20 units.

Complete application submitted with necessary documentation

Rationale: Items submitted with application will allow faster determination of projects.

Scoring:

1 point: Complete application and backup documentation.

2. Funding Allocation

Local Owners with Small Portfolios

The program will ensure all owners of rental units within Allegany County are informed and given equal opportunity to apply by creating outreach materials in physical and online formats and promoting the program through a variety of channels including press releases, ACCORD channels, and partner organizations. This ensures material reach communities that might not be reached through a single channel of advertising.

ACCORD-Owned Properties

ACCORD may make awards to properties it owns. ACCORD can utilize up to a maximum of 15% of its awarded funds for rehabilitation of units that it owns.

ACCORD should be the intended owner of the properties for the 10-year regulatory period. ACCORD shall be subject to the same policies and procedures as other participants in the event of sale or transfer of the property during the regulatory period.

3. Multiple Properties Under Single Ownership

There is no limit to the number of units or properties with a single owner that may participate in VRP. That is, a single owner may receive a VRP award for multiple properties if all eligibility requirements are met (each property must be treated separately as its own application and project).

III. Project Development

A. Scope of Work

Once a project has been determined eligible and has been selected for assistance, ACCORD will work with the property owner to develop a written scope of work and an initial estimate of costs.

A professional evaluation will be conducted to establish and document the scope of rehabilitation activities. It will include rationale for scope items, including photographs of current conditions. Internal cost estimates will be developed for the scope of work.

Both ACCORD and the property owner must sign-off on the formal scope of work before ACCORD may begin to seek bids for the work.

1. Ready for Occupancy Requirement

Projects using VRP funds must produce a finished residential unit or units ready for occupancy. As such, funds cannot be used to complete an initial phase of work on residential units that will then be completed at a later date.

However, work can be completed on part of a building, leaving another part unfinished as a holdover for future use, provided that:

- The residential units are complete and accessible;
- The project can be completed in compliance with all applicable codes and ordinances;
- The unfinished space does not present a hazard or nuisance to occupants or users of the building; and
- The unfinished space is not developed into additional housing units that will result in more than a total of five (5) units in the building within the 10-year regulatory period (exceeding the 5-unit limit during the regulatory period will be considered non-compliance and the grant may be subject to repayment in full).

B. Participant (Property Owner) Agreement

ACCORD will execute a Participant Agreement with the property owner specifying the approved, maximum award amount and outlining roles and responsibilities for the respective parties. At a minimum, the contract must specify:

- Responsibility for payments to contractors (either the Contractor or ACCORD) and payments made on an incurred cost or reimbursement basis
- Agreed Upon Scope of Work
- Estimated Grant Amount
- Contractor Bidding & Selection Process
- Completion Deadline
- Requirement to engage a contractor and begin construction within 30 days of ACCORD approval
- Participant and contractor insurance requirements
- Securing Permits (work may not begin until all required permits have been issued, or formally confirmed as not required)

- Site Inspections (ACCORD reserves right to inspect at any time to confirm eligibility of work, monitor progress, and inspect quality of work)
- Right to Terminate or Withhold Payment (ACCORD reserves right to terminate contract or withhold payment if work is not completed as agreed, change orders are implemented without approval, ineligible scope of work items are included on invoice, for failing to satisfy contract terms, or for violating program rules)
- Compliance Monitoring including cooperating with ACCORD to monitor the ongoing maintenance of the property, including the rent limits for assisted residential units (ACCORD reserves right to share information about participant and project consistent with HCR monitoring)
- Dispute Resolution Policy
- Requirement to sign and file a security instrument (Declaration of Interest in the Property) that places use and sale restrictions on the property, including restrictive rental provisions, for the term of the ten (10) year Regulatory Period.

Any exceptions require prior approval of OCR. A template contractor agreement template is available on the VRP website: <https://hcr.ny.gov/vrp>

C. Contractor Procurement

1. Contractor List

ACCORD maintains a list of contractors able to perform work in compliance with applicable standards. All contractors must supply references and proof of proper insurance. Proof of insurance must include general liability coverage in a minimum amount of one million dollars and workers' compensation coverage. ACCORD, State of New York and the Housing Trust Fund Corporation must be listed as additional insured.

ACCORD will ensure that Minority and Women-owned Business Enterprises are represented on contractor lists.

ACCORD, in coordination with the property owner, will use this list to solicit bids or quotes for the project activities. Additional contractors can be added to the list at any time, however, references and proof of proper insurance must be supplied to ACCORD and approved.

2. Bid Solicitation

An appropriate procurement process must be completed for all activities to be reimbursed with program funds. This includes both construction costs and professional service or soft costs. At a minimum, two (2) bids or proposals must be obtained and reviewed for all rehabilitation or professional service activities to establish the reasonableness of project costs. If two bids are not received, ACCORD must follow OCR guidelines on establishing reasonableness of project costs.

3. Conflicts of Interest in Procurement

The policies and procedures found in Section III.(G) Conflict of Interest apply to the contractor procurement process. The process must be free of collusion or intimidation, and ACCORD must exercise appropriate oversight over the entire

process to ensure that it is fair, efficient, and free of actual and perceived conflicts of interest. A clear, written, scope of work for the project, as outlined in the Scope of Work, must be the basis for the bids or proposals. All bidders must have equal access to relevant information, including information on the property itself.

Specific conflicts of interest in the Contractor Procurement Process include:

- A contractor cannot receive VRP funds for work done on a property that they own.
- A property owner may not act as their own contractor.
- An immediate family member or business partner of the property owner may not serve as a contractor
- Municipal officials, officers, and employees are prohibited from participating as a contractor for grant activities conducted in that community.

4. Contractor Selection

The bids or proposals for all activities must be submitted directly to ACCORD by the contractor. ACCORD will advise the property owner of acceptability of bids and proposed cost. If the property owner chooses other than the lowest bidder, reimbursement will be based on the amount of the lowest responsible bid.

5. Property Owner Involvement in Contractor Selection

The Property Owner may be involved in the contractor solicitation process (and may not be prohibited from doing so if desired), subject to the following:

- A property owner may select the contractors that are invited to submit bids for a project; however, MWBE requirements will still apply and MWBE firms must be included among the contractors the bid requests go to.
- A property owner may request to have contractors placed on ACCORD's bid list. ACCORD will require that each contractor complete the application process to vetting contractor references and insurance.
- ACCORD is required to accept the lowest responsible (qualified) bidder, even if it is not the property owner's preferred contractor.
- The property owner may select a responsible contractor that is not the lowest bidder; however, reimbursement will be based on the lower bid amount.

D. EEO & MWBE Requirements and Procedures

The program is required to comply with Articles 15-A and 17-B of the New York State Executive Law. These requirements include equal employment opportunities for minority group members and women ("EEO"), and contracting opportunities for certified minority and women-owned business enterprises ("MWBEs") and Service-Disabled Veteran-Owned Businesses ("SDVOBs"). ACCORD's demonstration of "good faith efforts" pursuant to 5 NYCRR §142.8 shall be a part of these requirements.

ACCORD will follow the procedures noted below to comply.

- Prepare and submit a **Contractor Bid Solicitation Plan**. This Plan will outline the goals (percentages are included in the existing grant agreement Schedule C) and how ACCORD intends to conduct marketing and outreach and make good faith efforts to include MWBE and SDVOBs in contracting opportunities. Costs for activities that cannot be bid out

(internal admin) should be removed before preparing the calculations in this document.

- As activities proceed, the awarded organization will prepare a **Bid Solicitation Log** to document all of the contractors or vendors included in each outreach and bidding process. ACCORD will document its bid review and selection decisions.
- If an MWBE firm is contracted for a project, utilization information (FID and payment amount) and **affirmation of payment to contractor** will be reported when ACCORD provides completion reports to HTFC. The Project Detail Sheet includes a drop-down box to note MWBE/SDVOB firms.

If ACCORD is unable to reach the goals, a request for waiver must be submitted. The written request should be accompanied by a **Certification of Good Faith Efforts** form and supporting documentation to demonstrate its efforts. The documentation should demonstrate that the awarded organization followed the plan presented in the Bid Solicitation Plan and include documentation of each of the steps outlined above.

All forms are available here: <https://hcr.ny.gov/VRP>

IV. CONSTRUCTION MANAGEMENT

A. Construction Monitoring

ACCORD staff and its contracted inspector will monitor contractors (including documented periodic inspections) progress, quality of workmanship, code compliance, adherence to approved scope of work, program rules, environmental compliance, and consistency with the approved construction timeline. Inspection reports will be consistently documented in ACCORDs project files.

ACCORD retains the right to inspect work in progress at any point and visits must be documented in ACCORD project files.

All requests for progress payments must include photographs of the completed work.

B. Final Inspection

A final inspection is required before submitting a final payment request. ACCORD, property owner, and other relevant professionals will verify that the work was completed properly and is consistent with the contracted scope of work. A final inspection report will be documented in ACCORD project files and submitted with the request for reimbursement.

The final inspection report must document that the unit is fully complete and ready for occupation.

C. Dispute Resolution

1. A dispute must be reported to ACCORD.
2. ACCORD will issue a formal stop work order to the awarded contractor.
3. ACCORD staff will facilitate a meeting with the property owner and or contractor at the property or via phone if more convenient.
4. If the meeting does not resolve the dispute, ACCORD will proceed with the following procedure in all scenarios:

- a. If ACCORD determines that the property owner has a legitimate concern, ACCORD will remove the contractor from the project and utilize remaining funds in the award toward the second lowest quoted contractor to complete the remaining scope of work
- b. If ACCORD determines that the property owner does not have a legitimate concern, ACCORD will encourage the property owner to allow the awarded contractor to complete the agreed upon scope of work. If the property owner refuses, ACCORD will offer a partial payment to the awarded contractor and reserves the right to require the property owner fulfill any and all expenses not covered by the remaining funds in the award to the second lowest quoted contractor or a qualified contractor of the property owner’s choosing.

If internal dispute resolution procedures fail, ACCORD will seek guidance from the grantor, New York State Office of Community Renewal (“OCR”) and may require the property owner and/or contractor participate in a meeting with ACCORD and OCR.

Both the Participant Agreement and ACCORD’s standard construction contract allows ACCORD to terminate at any time. However, this step will be taken as a last resort. ACCORD will always pursue every avenue possible to resolve any disputes and complete projects in accordance with ACCORD’s mission and the goals of the VRP program.

V. ONGOING MAINTENANCE AND COMPLIANCE MONITORING OF OWNERS

A. Property Owner Obligations

1. Qualified Tenant Selection

Tenant Income Limits

Property owners may choose their own tenants; however, tenants of assisted units must be verified to meet the program income qualification requirements. The income requirement applies to the household that will be residing in the unit.

The household income limitations are dependent upon the award type selected by the property owner:

Award Type	Household Income Limit
Standard (Up to \$50,000/unit)	80% Area Median Income (AMI)
Enhanced (Up to \$75,000/unit)	60% Area Median Income (AMI)

The Area Median Income (AMI) will be based on U.S. Department of Housing Urban Development (HUD) published figures for the geography in which the assisted unit is located. The most current HUD data in effect at time of tenant selection will apply. The tenant’s household size must be used to determine the appropriate income limit. HUD typically publishes new income limits on or around April 1 each year.

Appropriate documentation is required to be collected from all household members to verify income. The list of acceptable documents includes:

- Filed Federal Tax Return from the past year (if self-employed)
- Four (4) current pay stubs (actual not Payroll Summary) (if applicable)

- Disability, Social Security, Social Services- TANF and/or SNAP benefit letter/budget, Insurance payment, Pension award letters (if applicable)
- Child support or Alimony statement or court order (if applicable)
- Statement of income from other sources of income (if applicable)

HUD Income limits for geographies in New York State can be accessed here:

https://www.huduser.gov/portal/datasets/il/il2024/select_Geography.odn

Fair Housing Laws

Property owners must adhere to all applicable Fair Housing Laws when selecting tenants. ACCORD staff will educate participating property owners on how to comply with these laws.

Selection Responsibility

The property owner is primarily responsible for selecting qualified tenants. However, ACCORD staff are available to assist property owners with the tenant income verification process. Staff will also ask landlords if they would like to be included on the landlord list that ACCORD publishes and makes available to its clients.

If an eligible tenant cannot be found, the owner may submit a waiver request to OCR through ACCORD. A waiver will only be considered if all reasonable avenues to finding a qualified tenant have been exhausted.

Prohibitions

Under no circumstances may a property owner select themselves as a tenant or “rent to themselves.” A property owner is prohibited from living in an assisted unit. The only exception is if a waiver was granted by OCR prior to rehabilitation construction work to allow specific necessary work to be completed in the owner’s unit.

Changes to Tenant Household

The following shall apply if there are changes to the tenant household of an assisted unit during the Regulatory Period:

- If tenant’s household income increases above the income limit after signing a lease:
 - The tenant may continue to occupy the unit and may continue to renew their lease. Tenant income verification is only required for the selection of a new tenant (initial tenant and if any tenant turnover during 10-year regulatory period) and therefore tenant income verification is not required when renewing a lease.
 - The property owner is still bound by the current maximum rent limit per VRP program requirements.
- If a qualified tenant moves out:
 - The new tenant moving into the unit must meet the income requirement. Income verification is required.

2. Lease Terms

Property owners must execute long-term leases of at least twelve (12) months with selected qualified tenants. All lease terms must conform to applicable local and state law. ACCORDs will verify that appropriate and legal lease terms are used.

After an initial 12-month lease, the Property Owner (if so desired) may allow a tenant to rent month to month, but to do so must provide a 12-month lease with the option

for the tenant alone to terminate the lease during the term.

3. Maintenance of Units

The property owner must maintain assisted units and the property in good operating order and condition. ACCORD shall periodically confirm compliance with this requirement.

4. Monthly Rent Limit

The maximum rent an owner can charge to tenants of a VRP assisted unit is based on the Area Median Income (AMI) threshold of either 80% AMI or 60% AMI, depending on the award option selected by the property owner (Standard or Enhanced).

The rent limit, based on AMI, is determined by ACCORD using the Novogradac Rent & Income Limit Calculator© found at: <https://www.novoco.com/resource-centers/affordable-housing-tax-credits/rent-income-limit-calculator>

The calculator determines the rent limit by unit size (number of bedrooms) based on households spending a maximum of 30% of their gross household income on housing expenses, which is the federal threshold for housing cost-burden.

The tenant's household size (number of persons) is **not** considered in the determination of maximum rent. The **rent limit is based on unit size only (and the current 60% or 80% Area Median Income)**.

The maximum monthly rent that an owner is permitted to charge will change annually as new AMI limits are published by HUD (typically April 1 of each year). ACCORD is responsible for understanding and communicating the current maximum monthly rent to property owners throughout the Regulatory Period.

Instructions for Using Calculator:

- 1. Select "Launch the Novogradac Rent & Income Limit Calculator" by following the link above.**
- 2. Choose Program and Location. Use the following settings:**
 - a. Affordable Housing Program: select "Other Federal, State, or Local Program"
 - b. HUD Data: select "2024" or most current year
 - c. State: select "New York"
 - d. Statistical Area & Name: select geography in which the property is located
 - e. Select "I agree"
 - f. Click "Next: Enter Scenario Information"
- 3. Enter Scenario Information. Use the following settings:**
 - a. Base the calculations on the HUD Published Income Limit: select "AMI"
 - b. Display Home Rents: select "No"
 - c. Enter 80% as another scenario:

The calculator will display results for a 60% AMGI restriction. Enter other scenarios below...

- d. Bedrooms:
 - i. Select checkbox under “Display?” for all unit types in property
 - ii. Utility Allowance: this provides an adjustment to the maximum rent if the tenant pays for certain utility costs.
 - o ACCORD will use the utility allowance schedule provided by HCR for Section 8 program.
 - o Note that a Maximum Rent Limit Worksheet is available to assist in determining the maximum rent with utility allowance. The worksheet is available at <https://hcr.ny.gov/vrp>.
 - o Once the utility allowance has been determined for each size unit, enter under “Utility Allowance”

Bedrooms		
Bedrooms	Display?	Utility Allowance
Efficiency	<input checked="" type="checkbox"/>	75
1 Bedroom	<input checked="" type="checkbox"/>	160
2 Bedrooms	<input checked="" type="checkbox"/>	220
3 Bedrooms	<input type="checkbox"/>	0
4 Bedrooms	<input type="checkbox"/>	0
5 Bedrooms	<input type="checkbox"/>	0

- e. Imputed Persons Per Bedroom for Rent Limit Calculations: This must be set to **1.5 persons per bedroom** regardless of actual tenant household size or living arrangement (for the purposes of maintaining consistency across the program).

Imputed Bedrooms	Bedrooms
1 Person	Efficiency
1.5 People	1 Bedroom
3 People	2 Bedroom
4.5 People	3 Bedroom
6 People	4 Bedroom
7.5 People	5 Bedroom

- f. Click “Next: View Rent & Income Limits”

4. Identify Maximum Monthly Rent limits

The bottom table named “Rent Limits with Utility Allowance Reduction for 2024” indicates the maximum rent that applies based on award type (60% AMI or 80% AMI level) and unit size (number of bedrooms). Note that these rent figures have already been adjusted for the utility allowance.

Rent Limits With Utility Allowance Reduction for 2024 (Based on 2024 50% VLI Income Limits)				U/A Entered by User
Bedrooms (People)	60.00%	80.00%		
Efficiency (1.0)	1,162	1,575		75
1 Bedroom (1.5)	1,166	1,608		160
2 Bedrooms (3.0)	1,371	1,902		220
3 Bedrooms (4.5)	1,838	2,451		0
4 Bedrooms (6.0)	2,050	2,734		0
5 Bedrooms (7.5)	2,262	3,016		0

B. Regulatory Period and Repayment

Regulatory Period Term

For all VRP grants, a ten (10) year Regulatory Period applies during which the Property Owner is subject to the requirements of the VRP program (see following Declaration of Interest section). The Regulatory Period must be calculated from the date of Project Completion. The date of Project Completion is the date of the final inspection and must be documented by a formal, final inspection report. ACCORD will use this date to calculate the termination date specified on the Declaration of Interest. If the final inspection report is not formally documented or available in ACCORD files, the Regulatory Period will begin on the date of final disbursement of VRP funds.

Repayment Requirements

Non-compliance by the property owner may require the full repayment of grant funds. If the maintenance and affordability requirements stipulated by the Declaration of Interest are not met during the Regulatory Period by a property owner, ACCORD should first seek to cure the issue with the property owner. If non-compliance cannot be cured within a reasonable timeframe, ACCORD will notify OCR of the circumstances. OCR will confirm whether the recapture of funds is required.

If repayment is required, the property owner must remit payment to ACCORD and then ACCORD will remit payment to OCR/HTFC using the Returned Funds Coversheet available on the NYS HCR website. The property owner must not submit payment directly to OCR/HTFC.

Sale or transfer of the property during the Regulatory Period does not automatically require repayment of grant funds. The new owner of the property must accept the conditions of the VRP program for the remainder of the regulatory period and the new owner will also be subject to the repayment provisions of the program policies in

instances of incurable non-compliance. See following section for additional details.

In no instance will a participating property owner be permitted to repay the grant funds for the purposes of releasing the security instrument.

C. Declaration of Interest

Overview

ACCORD will require each property owner receiving VRP funds to file a security instrument in the form of a Declaration of Interest (“Declaration”), with the clerk of the county in which the project is located. In the document, the property owner will declare that he/she has received assistance from VRP and will maintain the property in a manner consistent with the program objectives, rent assisted units to income qualified-tenants, and charge monthly rent for assisted units at the required affordability levels.

Securing the Instrument

ACCORD will ensure that program participants are aware of the maintenance responsibilities and the Declaration requirement early in the process. The Security Instrument requirement will be clearly stated in the contract with the property owner.

ACCORDs will submit a copy of the signed Declaration to OCR staff prior to the disbursement of program funds for the applicable property. **Property owners and contractors must not be reimbursed with VRP funds before the signed, notarized Security Instrument is secured.**

ACCORD will hold the signed and notarized Declaration during the construction process and will file the Declaration after the final inspection.

Transfer or Sale of Property

The intent of the Program is to assist applicants that plan to be the owner of the property for the duration of the 10-year Regulatory Period. However, it is possible for a participating Property Owner to sell or transfer the ownership of an assisted property during the Regulatory Period, subject to the following procedures:

- The Property Owner must notify ACCORD of intent to sell, and ACCORD in turn most notify OCR.
- The Property Owner must disclose the requirements and obligations of the Participant Agreement and Declaration of Interest to all prospective purchasers.
- The new owner must execute an Affirmation assuming the regulatory requirements and responsibilities found both in the Participant Grant Agreement and the Declaration of Interest for the duration of the Regulatory Period.
- The Property Owner must receive permission to sell the property from ACCORD and OCR (HTFC). Permission will typically be granted upon satisfactory completion of the Affirmation of the new owner.

If this procedure is followed, repayment of grant funds will not be required upon sale or transfer of property during the Regulatory Period.

D. Compliance Monitoring Plan

1. **Overview**

Each year, a participating property owner must certify the following to ACCORD:

- Continue to be the legal owner of the assisted property.
- Any new tenants in the past year have been income-verified to meet the program's income requirements.
- The rent charged to tenants of assisted units does not exceed the maximum rent allowable.
- The assisted units are being maintained in good operating order and condition.

In addition to this certification requirements, the Property Owner has obligations related to any transfer or sale of the property, including providing advance notice of intent to sell (and receiving permission), disclosing program requirements to prospective buyers, and ensuring the new owner assumes the VRP requirements.

2. **Annual Compliance Re-Certification**

ACCORD will ensure the property owner's annual re-certification requirement are met. Each year, the property owner must certify that:

1. They still own the property;
2. Any new tenants in the past year have been income-verified to meet the program requirements;
3. The rent charged to tenants of assisted units does not exceed the maximum rent allowable;
4. The assisted units are being maintained in good operating order and condition.

Staff Roles: The Housing Counselor assigned to the rehabilitation programs will be the primary point of contact for the VRP program. ACCORD's Housing Manager and Assistant Housing Director will provide support to the program.

Income Verification can be completed or reviewed by any of ACCORD's HUD Certified Housing Counselors.

- The Rehab Housing Counselor will send the re-certification form to property owners each year.
- The Rehab Housing Counselor will review re-certification documents such as the attestation and lease agreements.
- A Certified HUD Housing Counselor will assist landlords with verifying the income of tenant applicants on behalf of the property owner.
- A Certified HUD Housing Counselor will review income verification of tenants done by the owner.
- The Rehab Housing Counselor will send notifications of annual inspections and conduct the inspection using the NYS habitability inspection.
- The Rehab Housing Counselor share updated Allegany County Area Median Income and Fair Market Rent data with landlords.
- ACCORD's Housing Assistant Director will notify property owners of any instances of non-compliance and provide guidance on how to remedy issues.

Re-certification

A signed re-certification form will be collected from the property owner each year that

includes a property owner's attestation that they have complied with the four (4) program requirements (indicated in Section A). ACCORD will verify the information using the methods below.

Verification of Continued Ownership:

ACCORD staff will check the Allegany County Tax site to confirm ownership.

Verification New Tenants Have Been Income-Verified:

Income verification documents will not be required from landlords that use ACCORD staff to verify tenant income at time of move in.

For landlords that complete their own income verification, income verification documentation will be requested for all tenants that moved in during the review period. This will include pay stubs, tax returns, and other documents used to verify income.

Verification that Rent Charged to Tenants Does Not Exceed VRP Rent Limit:

A copy of the executed lease agreement will be submitted with the verification documents.

Inspection Procedures:

ACCORD will document that assisted units have not fallen into disrepair and/or been neglected by the property owner for maintenance. ACCORD will:

- ACCORD will conduct a site visit of 20% of assisted units each year.
- Units will be inspected using the NYS habitability inspection used by ACCORD's other rental assistance programs.
- Units will be selected at random, and the program will ensure units are not inspected two years in a row.
- The program will provide landlords and tenants with at least 10 business days' notice prior to conducting an inspection.
- Each assisted unit will generally be inspected at least twice over the 10-year period.

Sale or transfer of the property:

ACCORD will ensure that the Property Owner is following the necessary steps once the property owner advises the LPA of the intent to sell or transfer the property within the Regulatory Period. This includes the following:

- Notifying the Office of Community Renewal (OCR) when notified by a property owner of their intent to sell or transfer property.
- Verifying that the owner is disclosing the requirements of the program to prospective purchasers (e.g., review the property listing information to make sure it is disclosed).
- Ensuring the new owner signs an attestation assuming the responsibilities (in consultation with OCR).
- Providing permission to move forward with the sale (in consultation with OCR).

Identifying and Documenting Instances of Non-Compliance and Good Faith Effort to rectify issues:

ACCORD will identify issues of non-compliance and to notify property owners of the issue. ACCORD will provide guidance to the property owner on how to cure the issue.

For issues that can't be remedied:

- ACCORD will be responsible for recapturing grant funds for repayment to the Housing Trust Fund Corporation (HTFC).
- ACCORD will exhaust all reasonable efforts to recapture and document such efforts.
- HTFC has discretion to modify ACCORD repayment obligations if reasonable and good faith effort has been made and documented.