

**Town OF Riverhead
Plus One Accessory Apartment Program
for Riverhead Home Improvement
Program**



2025

PROGRAM GUIDELINES

PLUS ONE PROGRAM
PROGRAM GUIDELINES
APPLICATION OPENING DATE:

September 5, 2025

Purpose

The Long Island Housing Partnership, as administrator on behalf of the Town of Riverhead (the ‘Town’) invites eligible applicants to apply to the Plus One Accessory Apartment for Riverhead Program (The “Program”), an initiative to create and improve Accessory Apartment Units (AAU). By working with local governments, the Program will provide grant funds and support low- and middle-income single-family homeowner occupants who wish to build a new AAU on their property or improve an existing AAU that needs to be brought into compliance with local and state code requirements. Depending on the property and what the locality permits, AAU’s may be small, basement apartments, garage conversions, or other permitted units. Funds are provided through the New York State Housing Trust Fund Corporation (“NYSHTFC”).

Grant Assistance

Eligible households may receive up to \$125,000 in grant funds. \$112,500 can be used for construction. **Please note construction costs above \$112,500 are the clients responsibility and average costs to build a new ADU can be over \$175,000.**

Eligibility Requirements - Applicant

The applicant must satisfy the following criteria to be eligible for Program assistance:

- Must be the owner of the property to be rehabilitated and have resided in the dwelling as their principle residence for not less than one year
- Must be current on mortgage payments and all applicable property taxes.
- Must maintain homeowner’s insurance covering structure replacement during the Grant Compliance Period (as defined below). Homes located in a flood zone must have flood insurance coverage during the Grant Compliance Period
- Ownership must be in the form of either a fee-simple title or a 99-year leasehold
- Applicants must occupy the property as their principal residence during the Compliance Period (as defined below)
- Must have household income at or under the income limits set forth below

Income Eligibility

Total annual household income must be at or below 120% of the area median income for Nassau/Suffolk Counties as determined by the U.S. Department of Housing and Urban Development (“HUD”). The current 2024 HUD Income Limits are described below:

| Household Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| *Maximum Allowable Income | \$138,500 | \$158,300 | \$178,100 | \$197,900 | \$213,700 | \$229,550 | \$245,350 | \$261,200 |

*Please note the maximum allowable income includes all income – overtime, bonuses, pensions, social security, 401K distributions, tips, etc. Total household income minus allowable exclusions cannot exceed the maximum annual income listed above for your household size. LIHP must project the income that will be received for the upcoming 12-month period. Tax returns will be required for all household members whose earnings will be used as part of the income qualification.

Eligible Property

- The property must be a pre-existing single-family residence with or without a current ADU located in the Town.
- Residences must have all applicable CO’s in place at the time of application, unless obtaining a CO is part of the requested assistance for the ADU
- Property Taxes, Homeowners Insurance and Mortgages must be paid and reflect a current status at the time of application.

Compliance with Municipal Codes & Requirements

Property must meet the local municipal requirements of the Town and/or the Village, as applicable, as well as Suffolk County Health Department requirements, if applicable, for a permissible ADU, including, but not limited to, minimum lot size and minimum and maximum ADU size, as applicable, design requirements and other zoning requirements.

Owners must comply with the Town’s standard process for permit application and approval, including, but not limited to, submission of required documentation and payment of fees. Applicants are responsible for reviewing the municipal codes, regulations and processes for compliance. Applicants are advised that if the municipal code and requirements conflict with these Program Guidelines then the municipal code and requirements will take precedence. LIHP has no authority to waive or otherwise alter the municipal requirements.

AAU Occupancy Requirements

The AAU may be occupied by the owner or by a family member of the owner. Owners are not obligated to collect rent from the occupant of the AAU.

There is no requirement that the household income of the AAU occupant be at or under a particular income level unless otherwise required by the Town.

The AAU must be occupied by a permanent tenant (seasonal or vacation rentals are not permitted). If the AAU becomes vacant during the Compliance Period (as defined below), the owner must make good faith efforts to promptly market the AAU unit to potential tenants

Eligible Improvements

The Program is designed for homeowners who wish to build a new AAU on their property or improve an existing AAU that needs to be brought into compliance with local and state code requirements. Improvements must address (1) Immediate health and safety concerns; (2) The correction of existing code violations; (3) Environmental hazards as described in the Program environmental compliance checklist; (4) Installation of energy conservation measures; (5) Accessibility for persons with disabilities; (6) Consistency with any other municipal design guidelines; and (7) Preservation of historical elements of the building.

Allowable improvements may include, but are not limited to:

- Structural Repairs, such as foundations, beams, stairs, roofs, stoops, chimneys
- Replacements, such as plumbing, furnaces/boilers, water heaters, electric service.
- Weatherization, such as insulation, air sealing, storm windows and doors.
- Interior Improvements, such as repairing floors, walls, ceilings, painting.

All repairs will be made in accordance with New York State and Local Building Codes.

Application Submission

Applicants will be required to complete and submit the AAU application and all supporting documentation to LIHP to determine their eligibility to participate in the Program. All guidelines must be met. Only completed applications will be eligible for assistance. Required documentation shall include:

- 1) Completed Application
- 2) Permanent residency ID card
- 3) Deed to the property
- 4) Current tax bill
- 5) Current mortgage statement
- 6) Three (3) most recent years filed federal tax returns
- 7) Four(4) most recent pay stubs
- 8) Two (2) most recent bank statements
- 10) Verification of sources income such as Social Security, child support, public assistance etc.)
- 11) Schools transcripts for full time students over 18 years of age.

Where and How to Apply

Applications are available through LIHP’s website at <https://www.lihp.org/adu.html> . If assistance is needed, including language assistance, please call LIHP at (631) 435-4710. Applications will be accepted beginning 9:00 a.m. on August 15,2025. The application period will remain open until closed by the Town. Please check the LIHP website for updates.

First-Come First-Served and Initial Ranked Waitlist

Applications received will be placed on a waitlist on a first-come, first-served basis (the “Initial Waitlist”).

If the Initial Waitlist is over- subscribed the list will then be prioritized based on the criteria set forth below as required by NYSHFA and a final ranked waitlist will be established (the “Prioritized Waitlist”).

Prioritized Waitlist/Project Selection Committee

Applicants on the Initial Waitlist will be evaluated by a Project Selection Committee based on the priorities set forth below in order to establish the Prioritized Waitlist. Applicants will then be reviewed for Program eligibility in the order placed on the Prioritized Waitlist.

The Project Selection Committee will evaluate each application and rank each in accordance with the priorities set forth below.

- Projects that assist low or middle-income property owners, who otherwise would not qualify for construction financing through financial institutions or who don’t have enough savings to pay for the construction or preservation of an AAU absent Plus One AAU grant funding. **POINTS: 5**
- Projects that would result in an AAU affordable to low-income renters (at or below 80% AMI). **POINTS: 3**
- Projects that are located near public transportation (within 1 mile) **POINTS: 2**
- Projects where required building permits would be approved by the local authorities without a lengthy and/or onerous zoning variance approval process. **POINTS: 1**
- Projects eligible for a real estate tax exemption from the Town based on the project as an ADU. **POINTS: 1**

Applicants will be afforded priority points as set forth above for each of the priorities listed above. Applicants will then be -re-ranked from the Initial Waitlist based on the number of priority points – highest to lowest and placed on a Priority Waitlist. Applicants will then be evaluated for eligibility in the order placed on the Priority Waitlist. If more than one applicant has an equal number of points then they will be evaluated in the order listed from the Initial Waitlist.

Applicants may self-certify as to the priority in the Application. However, if it is determined that the priority does not apply then the applicant will be ranked accordingly.

A Project Selection Committee will be established by LIHP and will consist of the following individuals: (1) 2 members of LIHP; and (2) at least one representative of the Town. The Project Selection Committee may meet in person or electronically.

Eligibility Review

LIHP will review applicants for income and other Program eligibility. Following review, an email will be sent by LIHP to all eligible and ineligible applicants after a full review of the applicant has been conducted.

Applicants who are deemed ineligible or who have been removed from the waitlist may appeal the determination by submitting a request to LIHP. The appeal request must be in writing and must be **received** (together with all documentation) by LIHP within five (5) business days (Monday-Friday) of the date of LIHP's notice to applicant of the determination of ineligibility or removal from the waitlist.

Agreement with Homeowner

If eligible and prior to Program commencement, Owner must execute a written agreement with LIHP in form and substance satisfactory to LIHP agreeing to Program requirements and which shall set forth the roles and responsibilities of the parties and which, at a minimum, shall include the following provisions:

- Agreed upon scope of work
- Projected amount of financial assistance awarded
- Estimated project timeline
- Minimum insurance requirements and the requirement to obtain flood insurance coverage if the property is located in a special flood hazard area
- Requirement to engage a contractor and begin construction within 30 days of LIHP approval
- LIHP may terminate the award and cancel the grant agreement should the work be inconsistent with the Program rules outlined, agreed upon scope of work or project design, stated timeline, or if insurance is not maintained by the property owner or participating contractor
- Property owner will cooperate with LIHP to monitor the ongoing maintenance of the property for the ten-year regulatory term
- LIHP may pay the contractor even if homeowner does not sign-off on the completion of work and satisfaction, as provided above
- Owner shall permit a sign to be posted on the property identifying the participation of the Governor of NYS and the NYSHTFC and to execute and deliver a written Plus One ADU Property Release Form and Consent permitting use, name, photos and likeness of owner and the property for promotional and public relations purposes
- Owner must permit LIHP, the Town and their agents access to the property for purposes of inspections and ensuring Program compliance
- Owner must agree to indemnify, hold harmless and defend LIHP, its affiliates, the State of New York, the Housing Trust Fund Corporation and the Town.
- Owner must execute and deliver the Plus One AAU Covenant and Restriction to be recorded against the property at Owner's cost and expense ensuring compliance for the

Compliance Period

- Owner must agree to annual recertification of Program compliance and permit LIHP and/or the municipality access to the property to inspect and confirm compliance during the Compliance period
- Owner will provide LIHP with copies of any notices received from the municipality for rental renewal and/or non-compliance
- Owner will provide LIHP with evidence of insurance on the property as may be requested annually by LIHP

Contractor Selection Process; Scope of Work

If it is determined that the applicant is eligible, LIHP will provide the homeowner with a list of participating contractors. The homeowner can select a contractor from this list or the homeowner may select a contractor not on the list provided that the contractor is fully licensed, certified, has all of the proper insurance and agrees to adhere to the rules of the AAU Program.

A Contractor cannot, directly or indirectly own the property or be related to the property owner. LIHP must approve the contractor before work is started.

Once a contractor is identified, LIHP's Construction Monitor and the contractor will conduct a walk-through of the home to determine the scope of the work, cost estimate and provide pictures. The scope of work will be coordinated with Town officials. If needed, additional experts will be contacted. The scope of work, cost estimate and provided pictures will then be reviewed and approved by the Construction Monitor.

LIHP, the Construction Manager and the home owner must sign-off on the scope of work before bids for the work are sought.

Agreement with Contractor

Upon approval by the Construction Monitor and LIHP, the homeowner will enter into a contract with the selected contractor for the approved scope of work at the approved cost. Costs in the excess of the approved cost will be the responsibility of the homeowner.

The Contractor Agreement is subject to review and approval of LIHP prior to execution. The Contractor Agreement must include certain required provisions as required by NYSHTFC as set forth below.

Required Provisions of Contractor Agreement

The Contractor Agreement must contain, at a minimum, the following provisions:

- 1) Scope of Work and timeline for project completion
- 2) Provisions regarding change orders which must be subject to prior approval of LIHP.
Note: The contractor must complete and submit the change order form signed by

contractor and the homeowner. Change orders must include a description of the type of improvement, appropriate specifications, materials, timing and fixed cost.

- 3) Contractors must supply at least two (2) references.
- 4) Contractors must provide proof of proper insurance. ***Insurance requirements will be given to Homeowner and Contractor upon program eligibility.***
- 5) Contractor must bear the risk of loss for all tools, equipment, and materials not yet installed into the owner's property.
- 6) LIHP, its affiliates, the State of New York, the Housing Trust Fund Corporation, the Town and the homeowner must be listed as additional insured on a primary non-contributory basis including completed operations on the Contractors general liability insurance. The insurance provided by contractors must not contain any exclusion related to the work to be performed or injury to employees, contractors or subcontractors.
- 7) Contractor must agree to indemnify, hold harmless and defend LIHP, its affiliates, the State of New York, the Housing Trust Fund Corporation, the Town and the homeowner.
- 8) LIHP must be named as a third-party beneficiary of the Contractor Agreement with enforcement rights.
- 9) Provision that payment will be made to the contractor, in full, only upon receipt of required municipal approvals and final sign-off by homeowner, LIHP, the Construction Monitor and the Town.
- 10) Contractor shall guaranty work for a period of one-year. All manufacturers' and suppliers' written guarantees and warranties covering materials and equipment furnished under the contract shall be supplied to the owner.
- 11) Such other terms and conditions as shall be deemed necessary or desirable by LIHP and/or the Town

Construction Process

During construction, LIHP's Construction Monitor and the Town, when applicable, will perform interim inspections to assure that work is being completed in accordance with local and state building codes. Inspections will be made as often as necessary (as determined by LIHP) to ensure that the work being performed is also in accordance with the terms of the construction contract. Homeowner must provide access as necessary or requested during normal business hours.

When work is completed, a final inspection is conducted by LIHP Construction Monitor, the contractor and the homeowner prior to final acceptance of the work.

The Town will be required to inspect and provide a certificate of occupancy or certificate of completion, as applicable. All municipal approvals and sign-offs must be obtained prior to final approval and payment.

When construction is completed, the contractor must submit the Contractor's Final Invoice.

Project Completion and Contractor Payment

Project completion requires the following steps:

- 1) The owner, LIHP Construction Monitor and contractor walk through and inspect the property.
- 2) As applicable, the municipality will be required to inspect and provide a certificate of occupancy or certificate of completion, as applicable. All municipal approvals and sign-offs must be obtained prior to final approval and payment.
- 3) Owner must sign-off on completion of work and satisfaction.
- 4) A Final Invoice will be submitted to LIHP
- 5) Checks for full payment are made payable and delivered to the Contractor
- 6) The Plus One AAU Restrictive Covenant will be recorded against the property

NOTE: In cases where the homeowner refuses to sign the completion of work and satisfaction statement, and the work has been approved by LIHP's Construction Monitor and the municipality, the job shall be considered completed and will be deemed signed-off for payment to the contractor and the Plus One AAU Restrictive Covenant may be recorded without further approval or input by the homeowner. The file will indicate the reason for the sign off.

Securing the Grant Funds; 10-Year Compliance Period

To secure the grant funds and ensure Program compliance, owners must execute Covenant and Restrictions, a copy of which is attached as Exhibit 1 (the "Plus One AAU Restrictive Covenant"). The Plus One AAU Restrictive Covenant will be recorded against the property with the County Clerk of Suffolk County. The owner must agree to Program compliance for a period of 10-years from the date of project completion and final inspection (the "Compliance Period"). Therefore, the Plus One AAU Restrictive Covenant shall remain in effect for the Compliance Period and shall automatically lapse on the Termination Date (as set forth in the Plus One ADU Restrictive Covenant).

The Plus One AAU Restrictive Covenant must be executed by the owner simultaneously with the execution of the Homeowner Agreement and prior to commencement of any work. LIHP will hold the executed document and record it upon completion of the project.

Compliance Requirements

Compliance requirements for the Compliance Period are as follows and as further set forth in the Plus One AAU Restrictive Covenant:

- Owner must maintain the property in good condition and repair in a manner consistent with the Program objectives and shall promptly make any needed repairs
- ADU must be tenant occupied year-round. Short term rentals, including vacation and seasonal rentals, are not permitted
- Owner must occupy the property as a permanent resident and maintain the AAU in in good condition and repair

- No first position mortgage given by the Owner for the purpose of construction or permanent financing of the Premises shall be refinanced without the prior written consent of HTFC
- The property may only be sold to an Eligible Participant. Eligible Participant is a household with income at or under 100% of the HUD AMI (as certified by LIHP) and who executes an Affirmation to abide by the compliance requirements of the Program for the remainder of the Compliance Period
- Property will not be moved, demolished, or materially altered without the prior written consent of HTFC.
- Owner must maintain the required insurance on the property for full replacement cost as required herein

Annual Recertification

Annually, during the Compliance Period, a monitoring affidavit will be mailed annually to the owner by LIHP to verify in writing that the owner is in compliance with the Program. The owner is required to sign the affidavit, have it notarized and return it to LIHP. Failure to do so will be deemed a breach of the Plus One ADU Restrictive Covenant and may trigger recapture of the funds.

Default and Recapture

In the event of owner's non-compliance during the Compliance Period, owner must return the outstanding balance of the grant funds to LIHP for recapture by HTFC. The amount to be repaid and recaptured shall be determined by reducing the original amount of grant assistance by one-tenth (1/10th) for each year of the Compliance Period that the Owner is in compliance. Please see the Plus One AAU Restrictive Covenant for details.

FAIR HOUSING AND NON-DISCRIMINATION

LIHP is committed to promoting fair housing, equal opportunity, and non-discrimination in compliance with all federal, state and local laws, including, but not limited to, the Fair Housing Act, as amended by the Housing for Older Americans Act, the Americans with Disabilities Act, the Civil Rights Act, and the New York State Human Rights Law. The LIHP staff is available to assist with the application, and answer questions about eligibility requirements. In furtherance of this policy, LIHP shall not discriminate on the basis of race, creed, color, national or ethnic origin, sex, sexual orientation, gender identity, familial status, source of income, religion, disability, veterans' status, age, or any other basis prohibited by law.

LIMITED ENGLISH PROFICIENCY AND ACCOMMODATIONS

Applications and Program Guidelines are available in English and Spanish and will be made available in other languages as requested. LIHP will take reasonable steps to ensure that persons with Limited English Proficiency (LEP) and persons who need assistance or who have a limited ability to speak, read, or write English, will have meaningful access and an equal opportunity to participate in the Program. Interpreters, translators and other aids needed to comply with this policy shall be provided as reasonably necessary. If you have any questions regarding the guidelines, or need assistance including language assistance such as translation and/or oral interpretation services, please contact the LIHP at info@lihp.org.

Disclaimer: It is understood that this is not an offer and that terms and conditions may be changed at any time by NYS, the Town or the Long Island Housing Partnership, Inc., and Affiliates. It is further understood that notices by the Long Island Housing Partnership, Inc., and

Affiliates may be made in such manner as Long Island Housing Partnership, Inc., and Affiliates may determine, including solely by email or advertisement. It is also understood that application submittal is not a guarantee that you meet all program requirements to purchase a home.



Plus One ADU Program

Restrictive Covenant

Program funds granted by [ENTER LPA NAME], with an address of [LPA ADDRESS] to:

OWNER(S): [_____]

PROPERTY STREET ADDRESS: [_____]

[MUNICIPALITY], [_____] County

SECTION/BLOCK/LOT: [_____]

AMOUNT OF GRANT ASSISTANCE: [_____]

UNIT ASSISTED: [_____]

DESCRIPTION OF ASSISTED IMPROVEMENTS: [_____]

This Restrictive Covenant is made and executed this [____] day of [____], [YEAR].

WHEREAS, the undersigned is/are the owner(s) (“Owner”) of the premises described above (“Premises”); and

WHEREAS, the Owner is an “Eligible Participant” in the Plus One ADU (“Program”), defined as being at or below 100% of the area median income (AMI) as determined from time to time by the United States Department of Housing and Urban Development for the county in which the property is located and as adjusted for family size; and

WHEREAS, the Owner acknowledges that the Premises have been improved with [____] in grant assistance (“Grant Assistance”) provided by the New York State Housing Trust Fund Corporation (“HTFC”) to [LPA NAME] under the Program; and

WHEREAS, this Declaration also secures the Owner’s performance and observance of all the provisions, obligations, and covenants under this and other instruments delivered in connection with the Program including the Grant Agreement executed by and between the Owner and [LPA NAME]; and

NOW, THEREFORE, the Owner hereby declares that for a period of ten (10) years (“Regulatory Period”), which commenced on [__] [YEAR] and terminating [__] [YEAR] (“Termination Date”), the Premises shall be occupied by the Owner as their primary residence and shall at all times be maintained in good operating order and condition, and all necessary repairs, renewals, replacements, additions, and improvements shall, from time to time, be promptly made.

Owner further declares that, during the Regulatory Period, the Premises shall not be sold (unless to an Eligible Participant whose eligibility to participate in the Program has been confirmed by [LPA NAME]), moved, demolished, or materially altered without the prior written consent of HTFC. In the event of an approved sale or otherwise permitted transfer, the Eligible Participant shall execute an Affirmation assuming the regulatory requirements and responsibilities found herein. Failure to execute such Affirmation may result in the recapture of Program funds in accordance with the simple declining balance outlined herein.

Owner further declares that the accessory dwelling unit improved with Program funds (the “ADU”) shall be occupied by a permanent tenant for the duration of the Regulatory Period; that the ADU shall not be used as a short-term rental, including as a vacation and/or seasonal rental; and that should the ADU become vacant during the Regulatory Period, the Owner shall make good faith efforts to market the ADU to potential permanent tenants.

Owner further declares that for the duration of the Regulatory Period, any first position mortgage given by the Owner for the purpose of construction or permanent financing of the Premises shall not be refinanced without the prior written consent of HTFC.

This Declaration is expressly subject and subordinate to any mortgage given by the Owner for the purpose of construction or permanent financing of the Premises, whether or not such mortgage is recorded prior to the date of this Declaration.

All the grants, covenants, terms, provisions, and conditions contained herein shall run with the land, binding all subsequent owners, encumbrances, and tenants of the Premises. In the event the Owner shall breach any such grant, covenant, term, provision, or condition, the Owner must return the outstanding balance of Loan Funds to [LPA NAME] for recapture by HTFC. The amount to be repaid and recaptured shall be determined by reducing the original amount of Grant Assistance disbursed to the Owner by one-tenth (1/10th) for each year of the Regulatory Period the Owner was in compliance hereunder. Repayment will be calculated in accordance with the following schedule:

| | |
|------------------------|--------------------|
| Months 0-12: | 100% repayment due |
| Months 13-24: | 90% repayment due |
| Months 25-36: | 80% repayment due |
| Months 37-48: | 70% repayment due |
| Months 49-60: | 60% repayment due |
| Months 61-72: | 50% repayment due |
| Months 73-84: | 40% repayment due |
| Months 85-96: | 30% repayment due |
| Months 97-108: | 20% repayment due |
| Months 109-120: | 10% repayment due |
| Months 121 and beyond: | 0% repayment due |

This Restrictive Covenant shall be recorded in the Office of the Clerk of the County in which the Premises are located and shall automatically lapse on the Termination Date.

IN WITNESS WHEREOF, this instrument has been signed the day and year set forth above.

OWNER(S):

MAILING ADDRESS:

Owner 1 Print Name

[_____]

Owner 1 Sign Name

Owner 2 Print Name

[_____]

Owner 2 Sign Name

STATE OF NEW YORK)

COUNTY OF _____) ss.:

On the _____ day of _____, in the year _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity (ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

[LPA NAME]

By: [_____]]
Name: [_____]]
Title: [_____]]

STATE OF NEW YORK)

COUNTY OF _____) ss.:

On the _____ day of _____, in the year _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity (ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC