

AMSTERDAM PLUS ONE ADU PROGRAM

Providing support to eligible homeowners
in the City of Amsterdam,
Montgomery County, NY



PACKET 1 – INFORMATION & GUIDELINES



Amsterdam Plus One ADU Program

Stable Homes. Strong Families. A Stronger Amsterdam.

Packet 1 – Information & Guidelines

Table of Contents

1. Program Overview
2. Frequently Asked Questions (FAQs)
3. Program Procedures
4. Appendix A – Eligibility Policy
5. Appendix B – Application Evaluation Policy
6. Appendix C – Dispute Resolution Plan
7. Appendix D – City of Amsterdam Zoning Map
8. Sample Agreements

Section 1. Program Overview

The Amsterdam Plus One ADU Program is part of New York State's five-year housing initiative to support homeowners in creating code-compliant Accessory Dwelling Units (ADUs). BCNI administers this program locally, in partnership with the City of Amsterdam, with funding provided through New York State Homes and Community Renewal (HCR). Grants of up to \$125,000 will be made available to help Amsterdam homeowners build or rehabilitate an ADU, which can be a basement apartment, garage conversion, backyard cottage, or addition. The program expands housing options, supports family members and caregivers, and helps owners generate rental income.

To qualify, homeowners must meet the following criteria:

- Own and live in their home as their primary residence
- Be in the City of Amsterdam, within an eligible zoning district (LDN, MDN, MRN)
- Demonstrate household income at or below 120% of Area Median Income (AMI)
- Commit to a 10-year compliance period, during which you must continue to live in the home as your primary residence and use the ADU according to local requirements
- Always use the ADU for family, caregiver, or long-term rental housing (no short-term rentals)

Section 2. Frequently Asked Questions (FAQs)

Q: What is an ADU?

An Accessory Dwelling Unit (ADU) is a secondary residence on the same lot as your primary home. It has its own sleeping, cooking, and bathroom facilities. ADUs can be basement or attic apartments, garage conversions, detached cottages, or additions. ADUs must be used for year-round housing. Short-term rentals like Airbnb or vacation use are strictly prohibited.

Q: How much funding is available?

Eligible homeowners can receive up to \$125,000 per project, from which up to 10% will be used for pre-development costs such as design and permits. The rest must go toward construction or rehabilitation costs. As project costs for a given project may exceed the amount of grant funds available, homeowners may be required to contribute towards the total project cost. Furthermore, homeowners must be able to demonstrate the availability of funds (savings, loans, etc.) at the time of application or by the time of project award.

Q: Who can apply?

You may apply if you are an owner-occupant of a home in the City of Amsterdam within eligible zoning districts (LDN, MDN, MRN; *See Appendix D for the City Zoning Map*), your household income is at or below 120% of AMI for Montgomery County, and you are current on your mortgage, property taxes, and insurance. Please use the table below as a guide for determining household income eligibility. A full and complete determination of household income eligibility will be conducted by BCNI using the required documentation provided in a full application. Interested applicants may contact BCNI's Plus One ADU Program Staff for consultation and assistance in making an initial determination of household income eligibility.

Household Size by Number of Persons	Maximum Household Income @ 120% of AMI
1	\$ 78,000.00
2	\$ 89,160.00
3	\$ 100,320.00
4	\$ 111,480.00
5	\$ 120,360.00
6	\$ 129,360.00
7	\$ 138,240.00
8	\$ 147,120.00
9	\$ 156,120.00
10	\$ 165,000.00
11	\$ 173,880.00
12	\$ 182,880.00

Note: Income limits as per published HUD data effective June 1, 2025.

See Appendix A; Eligibility Policy for more information.

Q: If I live in a manufactured (mobile) home, am I eligible?

No, mobile homes are not eligible.

Q: If my property has more than one building (excluding garages and carriage houses), am I eligible?

No, properties with additional residential and/or commercial buildings are not eligible.

Q: Who can live in my ADU?

Your ADU may be occupied by family members, caregivers, or long-term tenants. Short-term rentals such as Airbnb or vacation use are prohibited.

Q: What are 'Responsible Owner' requirements?

Responsible Owners must be current on their mortgage, property taxes, and utility payments, maintain adequate homeowner's insurance, have no unresolved liens or bankruptcies, and not be under investigation by regulatory agencies. Properties should also be clear of any zoning or code violations that are not immediately associated with a requested repair or rehabilitation need that may be addressed by the Plus One ADU Program.

Q: What expenses are covered?

Eligible costs include design, permits, environmental testing, construction, accessibility improvements, and modular units. Ineligible costs include demolition, landscaping, routine maintenance, taxes, insurance premiums, and debt payments. As a reminder, project costs for a given project may exceed the amount of grant funds available. Therefore, homeowners may be required to contribute towards the total project cost, and they must be able to demonstrate the availability of funds (savings, loans, etc.) at the time of application or by the time of project award.

Q: Can I choose my own contractor?

Yes, but you must obtain at least two competitive bids. Contractors must meet insurance requirements and otherwise be qualified to perform the requested services. Please note that if a homeowner wants to select a contractor with a higher bid than the lowest reasonable bidder, they will be responsible for the difference in cost.

Q: What happens if I sell my home?

If you sell during the 10-year compliance period, the buyer must assume the program obligations for the remaining term. If they do not, grant funds may need to be repaid. Obligations are recorded as a Restrictive Covenant with the Montgomery County Clerk.

Q: How long do restrictions apply?

You must comply with program rules for 10 years after completion. This includes maintaining the ADU in habitable condition, using it for long-term housing, completing annual certifications, and allowing BCNI site visits in compliance with monitoring requirements.

Q: What if the ADU becomes vacant?

You must make good-faith efforts to find a long-term tenant. Short-term rentals are prohibited, and violations of use may result in recapture of funds.

Q: Do I need to contribute my own funds?

Not necessarily. BCNI will work with applicants to design units that meet their needs, while remaining within allowable funding limits. However, if your total project costs more than \$125,000, you must provide proof of additional financing to ensure a complete and occupiable unit at the end of the project.

Q: What is the application process?

In general, the application process is as follows:

1. Submit application and all required documents to BCNI.
2. BCNI reviews eligibility (including household income verification) and inspects property, if necessary.
3. Committee review and determination (approval and preliminary award or denial of application)
4. Grant Agreement signed
5. Design and permitting process completed
6. Contractor bidding administered with help from BCNI
7. Construction and project monitoring process completed
8. Construction completed and Certificate of Occupancy issued
9. Project close out and initiation of 10-year compliance and monitoring begins

Section 3. Program Procedures

Preface: This section outlines the program procedures for the Plus One ADU Program. This information is provided as guidance for potential applicants. BCNI reserves the right to modify these procedures as necessary during the administration of this program.

1. Intake and Initial Screening

Applicants submit a complete application packet including required documentation. BCNI staff conduct an initial screening to ensure completeness and eligibility based on program criteria (owner occupancy, income limits, property zoning, mortgage/tax status, insurance, etc.).

Incomplete applications are returned with a request for missing materials.

Completed applications are logged into the HCR file tracker and prepared for committee review.

2. Committee Review and Determination

The ADU Review Committee, composed of BCNI staff and municipal representatives, evaluates eligible applications. Applications are evaluated based on criteria outlined in the *Application Evaluation Policy*; See Appendix B.

The Committee will issue funding recommendations on a rolling basis as full applications are reviewed. BCNI will notify applicants in writing via a preliminary award letter or a denial notice.

Applicants may request a hardship review per HCR guidance; determinations are documented in the project file.

Program Supports

Upon preliminary award, BCNI provides the following technical assistance:

- Design and permitting guidance
- Budgeting and cost reasonableness review
- Contractor eligibility verification (insurance, licensing, debarment, non-collusion)
- Construction oversight and draw approvals
- Compliance coaching and monitoring

3. Design Phase (Typically 60 days)

During the design phase, homeowners engage architects/engineers (A/E) through at least two competitive proposals. If fewer proposals are received, BCNI documents the distribution list, prepares a bid log, and secures an independent cost reasonableness review. A/E contracts are uploaded to the project file.

BCNI initiates required site-specific environmental review and SHPO consultation, as applicable. Clearance documents must be on file before construction bidding proceeds.

4. Construction Contract Phase (Typically 60 days)

Homeowners solicit at least two competitive bids for construction. If only one bid is received, BCNI retains the solicitation log, secures an independent cost review, and documents the exception.

BCNI verifies contractor qualifications and licensing (if required), insurance, debarment status, and non-collusion affidavit.

A tri-party agreement (Owner-BCNI-Contractor) or HCR-approved equivalent is executed and filed.

5. Construction Phase

Once contracts are executed, the contractor will be responsible for acquiring all necessary municipal permits (building, plumbing, electrical, etc.). Upon issuance of permits, construction will be scheduled to begin. BCNI provides oversight, conducts inspections, and authorizes drawdowns for contractor payment throughout the process.

Any change orders require prior approval by BCNI and must be documented in the project file. Final inspections are required before the Certificate of Occupancy is issued.

6. Post-Construction Compliance

Upon completion, homeowners enter a 10-year compliance period. Restrictions are enforced via a recorded Restrictive Covenant with the Montgomery County Clerk.

Compliance requirements include:

- ADU use limited to family or caregiver occupancy
- No short-term rentals (Airbnb, VRBO, etc.)
- Annual compliance certifications
- Biennial site visits by BCNI staff

Homeowners complete landlord training (if required) and receive a compliance handbook.

Acknowledgment forms are filed in the project record.

7. Project File Documentation

BCNI maintains a complete project file in the HCR file tracker. Required documents include, but may not be limited to, the following:

- Application and eligibility determination
- Committee review records and funding decision
- Preliminary Awardee Letter and Grant Agreement (or denial letter, if applicable)

- Approved scope of work
- SHPO correspondence/clearance (if applicable)
- Site-specific environmental certification
- Lead documentation and clearance (impacted units)
- Bid solicitation log(s) and proposal(s) for all contracted services
- Tri-party agreement (Owner-BCNI-Contractor)
- Cost reasonableness analysis
- Municipal permits
- Inspection and draw records
- Project set-up and completion forms (HCR)
- Recorded Restrictive Covenant and compliance documentation
- Photos – before and after

8. Financial Management

BCNI will manage Program funds in compliance with HCR requirements. Disbursements will be authorized only after inspections confirm work completion and proof of contractor payment . All transactions are documented and reconciled per Schedule B of the Administrative Plan.

Plus One ADU Program

APPENDICES

Appendix A – Plus One ADU Program Applicant Eligibility Policy

Preface: This appendix provides the full Eligibility Policy, governing who may apply, property requirements, and allowed activities.

Applicant Eligibility Criteria

Applicants must meet specific criteria to qualify for the Plus One Accessory Dwelling Unit (Plus One ADU) Program. As the Local Program Administrator (LPA), Better Community Neighborhoods, Inc. (BCNI) will ensure these standards are consistently applied to all applicants to maintain fairness and compliance. BCNI will verify eligibility through site inspections, public record reviews, and, when necessary, by requesting additional documentation. Applicants who do not meet the requirements, as detailed in *Appendix B; Application Evaluation Policy*, will be excluded from funding consideration.

Accessory Dwelling Unit (ADU) Definition:

An accessory dwelling unit, or “accessory use or accessory structure” is defined as a secondary residence on the same lot as a primary dwelling with features that allow a complete habitable space that includes provisions for sleeping, cooking, and sanitation. Local codes define in which zones these units can be built or improved on. The definition can vary according to local codes, and typically contains size and height restrictions, parking requirements, design and compatibility with local code standards.

- Attached ADUs: within structure, including basement or over-garage apartments
- Detached ADUs: standalone backyard cottages, tiny/modular homes

Please note: The primary residential unit **MUST** be occupied by the property owner and the ADU must be a family member related by blood or marriage, such as elderly parents and dependent adult children or a caregiver, or be used as a long-term rental.

Activity Eligibility

Plus One ADU funds can only be used for the creation of a safe, decent, and marketable ADU on a property, either by rehabilitating and repairing an existing ADU or by the conversion of an existing space, or the creation of a new attached or stand-alone structure.

Eligible Expenses:

- Pre-development soft costs associated with establishing an ADU, generally consisting of:

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Packet 1 – Information and Guidelines*

- Permits and fees
- Architectural, engineering, and design services
- Project-specific attorney fees
- Health and safety testing costs, such as lead testing and clearances
- Construction costs, such as materials to make rehabilitated or converted units legal, safe, and accessible; or to build new units. All professional service contractors must be determined to be qualified, fully insured and currently licensed with New York State and/or the City of Amsterdam, as required by their trade or skill.
- Purchases of modular units or tiny homes independently sited on the primary residence owner's land, and permitted by the municipality and considered an ADU based on zoning.
- Site work, **BUT ONLY** 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 (e.g., built-in cabinets, bathtub, etc.)
 - Removable fixtures and appliances if necessary for the occupancy of assisted units

Ineligible expenses:

- Demolition and removal of a home
- Landscaping, and routine property maintenance
- Property taxes, insurance premiums, or debt payments
- Work completed prior to selection and award is not eligible for reimbursement

Property Eligibility

- Property must contain no more than 4 units and be within the City of Amsterdam
- Property must comply with local Zoning Regulations including Planning Commission and Special Use Permit approvals as applicable.
- Property must be in the following zoning districts in Amsterdam:
 - Low Density Neighborhood (LDN)

- Medium Density Neighborhood (MDN)
- Medical Residential Neighborhood (MRN)
 - *See Map in Appendices*
- Properties in bank or tax foreclosure or pre-foreclosure proceedings are not eligible.

Property Ownership Eligibility

Applicants must be the legal owner(s) of the property proposed for the ADU, and this must be the participants' primary and permanent residence. Ownership is defined as holding a fee simple title as evidenced by a warranty deed, bargain for sale deed, a quit claim deed, or having an approved lease hold interest and improvement.

Eligible ownership includes:

- Homes owned by a Trust: allowed if the participant is one of the listed beneficiaries and an occupant.
- Homes owned by an LLC: allowed if the participant is one of the shareholders and an occupant; permission from other shareholders required.
- Homeowners with Living Trusts/Irrevocable Trusts: allowed if the participant is the occupant of the home; if not an occupant and the program is to benefit another beneficiary, that beneficiary's name must be on the deed and the beneficiary/occupant must meet all eligibility criteria for the program.

BCNI will require documentation to support ownership eligibility.

Responsible Owner Verification

To qualify, property owners must:

- Be current on mortgage payments for all properties they own (and any loan(s) secured by the proposed assisted property).
- Be current on all property taxes (City, School, Town, etc.)
- Be current on utility payments for the proposed assisted property.
- Hold an active comprehensive property insurance policy for the assisted property.
- Have no unresolved federal, state, or local liens against the property requiring assistance.
- Be free of bankruptcy proceedings at the time of application.
- Be free of any code compliance issues or other violations (i.e. zoning)

BCNI will collect and verify documentation to substantiate these criteria, including but not limited to payment records, insurance policies, and attestations of compliance.

The following applicants are Ineligible:

- Applicants and/or properties that do not meet the established eligibility criteria.
- Applicants with familial or financial ties to BCNI employees or board members (unless a waiver is granted and publicly disclosed).

Appendix B – Plus One ADU Program Application Evaluation Policy

Preface: This appendix explains how applications are reviewed and prioritized by the ADU Committee.

Purpose: The purpose of this policy is to establish a fair and transparent process for evaluating applicants for the Plus One ADU Program (Plus One ADU). BCNI will allocate funds in a way that provides the greatest relief to responsible property owners, while ensuring that the ADU is compliant with local zoning regulations, program requirements, and does not negatively impact community character. Additionally, this policy includes safeguards against conflicts of interest, promotes collaboration with stakeholders, and is subject to regular review and updates to reflect community needs and program goals.

Evaluation Process

Applications will be reviewed on a rolling basis with a focus on owner need and capacity, and project readiness, alignment with community desires, and zoning requirements, while providing alignment with the goals of the Plus One program. The evaluation process is designed to ensure fair and efficient allocation of resources by assessing applications against established criteria.

Applications will be reviewed holistically based on the key considerations outlined below, using the form at the end of this document. All decisions will be documented and retained to maintain transparency and consistency in the evaluation process.

Key Considerations for Application Evaluation

1. Applications Fully Meeting Eligibility Criteria

Only applications that fully satisfy all requirements outlined in the Applicant Eligibility Policy will be considered for funding. Incomplete applications will not be considered until all required information is provided and meets Plus One ADU eligibility requirements. Applicants will have the opportunity to correct deficiencies and resubmit for review.

2. Existing Property Condition and Code Compliance status

3. Ownership stability and ability to manage an ADU

4. Project Readiness

Applications that include complete documentation, secured financing for any required additional work, necessary permits and/or approvals, and a feasible

construction and/or rehabilitation timeline will be evaluated favorably compared to projects that require further approvals or funding.

Special Considerations

1. 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 ADU absent this funding.
2. Projects where required building permits would be approved by the local authorities without a lengthy and/or onerous zoning variance approval process.
3. Projects that would result in an ADU affordable to local low-income renters (in accordance with code).
4. Projects located near public transportation.

BCNI/City of Amsterdam Plus One ADU Program

PROJECT SELECTION REVIEW SHEET

Applicant(s): _____

Property Address: _____

Property located in eligible zoning district? ____ LDN ____ MDN ____ MRN

Proposed ADU Usage: ____ Relative ____ Caregiver ____ Long-term Renter

Household is Income Eligible (*at or below 120% of AMI for Mont. Co.*)? Yes ____ No ____

Existing Property Condition and Code Violations (____ *Check here if no code violations*):

Owner demonstrates ability to manage and maintain ADU:

Yes ____ No ____ Additional Information, if needed:

Confirmed ability to remove ADU if needed:

Yes ____ No ____ Additional Information, if needed:

Project proposal demonstrates readiness/completeness and detail of application:

Yes ____ No ____ Additional Information, if needed:

Could owner undertake the project without Plus One ADU Program funding?

Yes ____ No ____ Additional Information, if needed:

Does owner demonstrate availability of required non-Program funds necessary to complete the project as designed? Yes ___ No ___ Additional Information, if needed:

Does project comply with local ADU intent and are variances required?

Intent: Yes ___ No ___ Variances: Yes ___ No ___

Additional Information, if needed:

Will a real property tax exemption be available upon completion?

Yes ___ No ___ Additional Information, if needed:

Is anticipated tenant(s) a low-income person(s) (*at or below 80% of AMI for Mont. Co.*)?

Yes ___ No ___ Additional Information, if needed:

Distance from nearest CDTA stop? _____

General reviewer comments or concerns?

Determination of Priority: High _____ Medium _____ Low _____

Reason for determination:

Appendix C – Plus One ADU Program Dispute Resolution Plan

Preface: This appendix contains the full Dispute Resolution Plan for the Plus One ADU Program.

I. Purpose: The purpose of this Dispute Resolution Plan is to establish a clear, fair, and structured process for resolving disputes between Participants (Property Owners) and Contractors under the Plus One ADU Program, which BCNI is administering locally as the Amsterdam Plus One ADU Program (Plus One). This plan applies to disputes arising from the Amsterdam Plus One Participant Agreement, contract, or any written agreement related to the program.

II. Scope of Disputes Covered:

This Dispute Resolution Plan applies to disputes related to:

1. Project Timelines
 - o Delays in construction beyond agreed schedules.
 - o Contractor failing to start or complete work within the agreed timeframe.
2. Quality of Work
 - o Workmanship that does not meet quality and compliance standards.
 - o Failure to adhere to local building codes and regulations.
 - o Structural or safety issues resulting from the contractor's work.
3. Scope of Work Disputes
 - o Claims that certain work falls outside the agreed scope.
 - o Disagreements over materials, labor, or additional work.
4. Inability or Failure to Uphold Obligations
 - o Either party failing to meet their contractual obligations (e.g., contractor not completing work, participant not providing access to the property).
5. Final Participant Completion Sign-Off
 - o Disagreements over whether the work is satisfactorily completed.
6. Contractor Payment Disputes
 - o Refusal to pay the contractor due to disputes over work quality or timeline compliance.
 - o Discrepancies in invoicing and approved project costs.

III. Notification of Dispute

Step 1: Written Notice Requirement

1. A party involved in a dispute must submit a formal, written notice to BCNI within 5 business days of identifying an issue.
2. The notice must include:
 - o Date of dispute identification
 - o Detailed description of the issue

- o Relevant documents (e.g., contracts, invoices, project plans)
- o Photos (if applicable)
- o Previous communication attempts to resolve the issue
- o Requested and/or proposed resolution by the party filing the complaint

Step 2: Acknowledgment & Initial Review

1. BCNI will acknowledge receipt of the dispute in writing within 3 business days of receiving the dispute notice.
2. BCNI will review the dispute, request additional documentation if needed, and communicate with both parties.

IV. Dispute Resolution Process

Step 1: Informal Resolution (Within 10 Business Days of BCNI Acknowledging the Dispute Notice)

BCNI will attempt to mediate an informal resolution within 10 business days of receiving the dispute notice. The process includes:

1. Facilitating direct communication between the Participant and Contractor.
2. Clarifying contractual obligations to ensure all parties understand the agreement terms.
3. Negotiating a corrective action plan, if necessary.
4. Documenting the agreed-upon resolution in writing.

Possible Outcomes:

- Agreement is reached → Documented, signed by both parties, and stored in project files.
- No agreement → Proceed to Step 2 (Inspection & Investigation).

Step 2: Site Inspection & Investigation (Within 5 Business Days of Failed Informal Resolution)

If the dispute is not resolved informally, BCNI will:

1. Conduct an on-site inspection within 5 business days to assess the situation (for disputes involving work quality, completion, or compliance).
2. Interview both parties to collect additional information.
3. Take photos/videos to document findings.
4. Compare findings against the agreed Scope of Work and program guidelines.

Possible Outcomes:

- If work is substandard or incomplete, the contractor may be required to correct issues at their expense.
- If the participant is found at fault, they may be required to approve the completed work or make necessary payments.
- If parties still do not agree, the case proceeds to mediation.

Step 3: Formal Mediation (Within 10 Business Days of Failed Site Inspection & Investigation)

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Packet 1 – Information and Guidelines*

1. BCNI will schedule a formal mediation meeting.
2. The mediation session will be moderated by BCNI or a neutral third-party mediator.
3. Both parties will present:
 - o Documentation supporting their claim.
 - o A proposed resolution.
4. The mediator will attempt to negotiate a fair resolution.

Possible Outcomes:

- Successful mediation → The agreed-upon resolution is documented and signed.
- Unsuccessful mediation → The dispute escalates to a final BCNI determination.

Step 4: BCNI Determination (Within 5 Business Days of Failed Mediation)

If mediation fails, BCNI will:

1. Review all evidence and issue a final determination.
2. Provide a binding resolution, which may include:
 - o Corrective action plan for the contractor.
 - o Payment adjustments (e.g., reduced or withheld payment).
 - o Final acceptance of work with conditions.
 - o Recommendations for legal action if needed.

V. Escalation to HCR (If Necessary)

If the dispute remains unresolved, BCNI will:

1. Notify NYS Homes and Community Renewal (HCR), Office of Community Renewal (OCR).
2. Submit:
 - o The original dispute notice.
 - o All supporting documentation (inspection reports, mediation records, emails, etc.).
 - o BCNI's final determination.
3. Provide a recommended course of action.
4. Await HCR's final decision, which is binding.

VI. Compliance & Enforcement

Failure to Comply with the Dispute Resolution Process

If either party refuses to comply:

- Contractor Non-Compliance:
 - o BCNI may withhold payment.
 - o The contractor may be removed from the approved bidder list.
 - o Legal action may be pursued.
- Participant Non-Compliance:
 - o BCNI may terminate the Participant Agreement.
 - o The participant may be required to repay grant funds.

Final Decision is Binding

- BCNI's final determination is binding unless overturned by HCR.
- Appeals to HCR must be submitted within 10 business days.

VII. Documentation & Record Keeping

1. BCNI will maintain detailed records of:
 - o All dispute resolution efforts.
 - o Correspondence and communications.
 - o Inspection reports and mediation notes.
 - o Final resolution agreements.
2. All records will be stored in project files and available for OCR review.

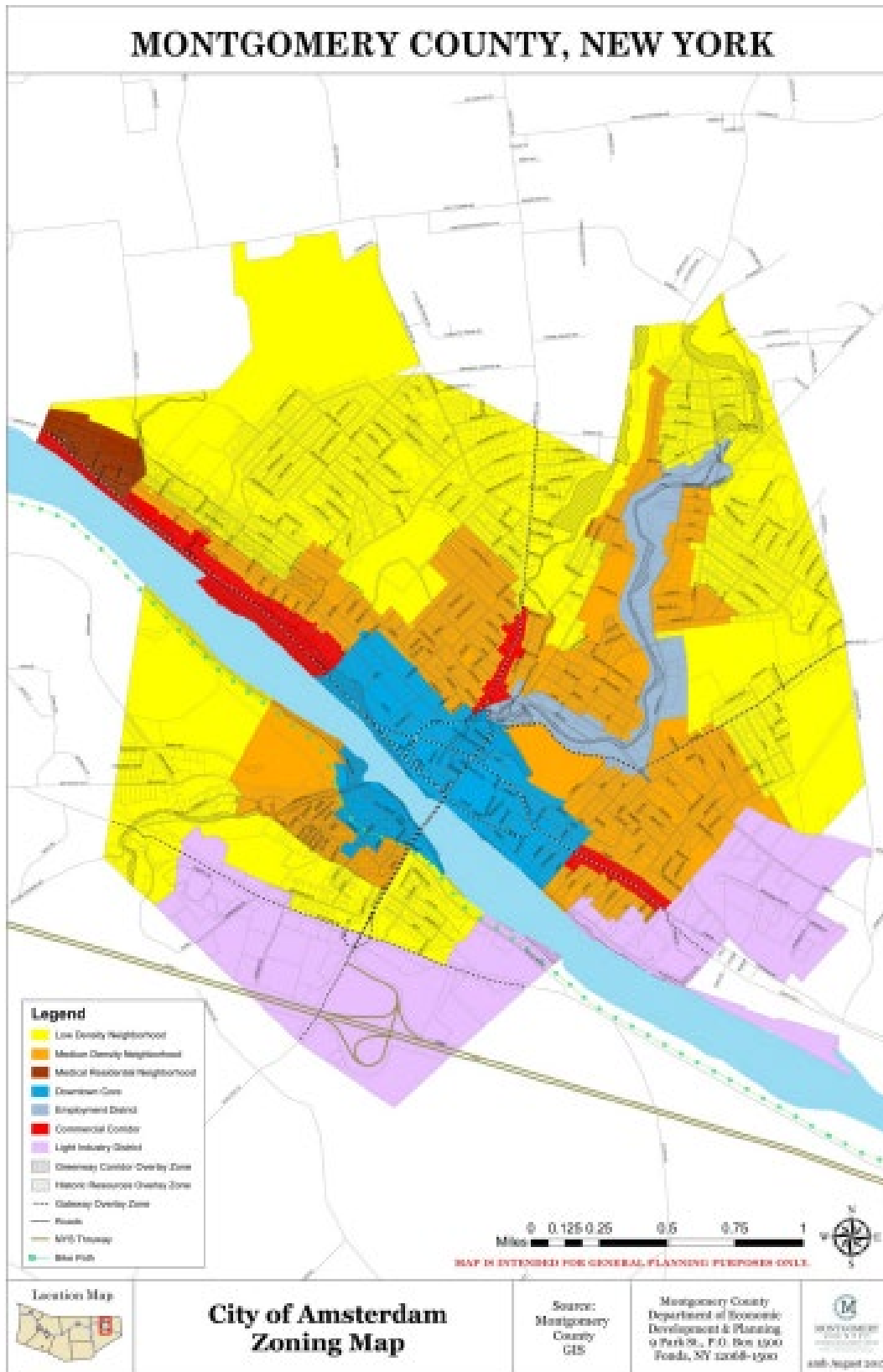
VIII. Summary of Timeline for Dispute Resolution

Step	Action	Deadline
Step 1	Dispute Notice Submission	Within 5 business days of issue occurrence
Step 2	BCNI Acknowledges Receipt	Within 3 business days of receiving notice
Step 3	Informal Resolution	Within 10 business days of BCNI acknowledgment
Step 4	Site Inspection	Within 5 business days of failed informal resolution
Step 5	Formal Mediation	Within 10 business days of failed site inspection
Step 6	BCNI Final Determination	Within 5 business days of failed mediation
Step 7	Escalation to HCR	Within 5 business days of LPA final decision

VIII. Conclusion

This Dispute Resolution Plan ensures timely, transparent, and equitable resolution of conflicts while maintaining compliance with Amsterdam Plus One guidelines. BCNI is responsible for good-faith efforts in dispute resolution, with HCR oversight for unresolved matters.

Appendix D – City of Amsterdam Zoning Map



Sample Agreements

Preface: The following sample agreements are included as Appendices for reference. Applicants should review these documents carefully before moving to Packet 2.

- **Owner-BCNI Grant Agreement:** Outlines terms, conditions, and compliance obligations, including the 10-year regulatory period.
- **Contractor-Owner Agreement:** Establishes scope of work, insurance requirements, and contractor responsibilities.
- **Restrictive Covenant:** Filed with the Montgomery County Clerk, binding for 10 years, prohibiting short-term rentals and ensuring compliance.

NEW YORK PLUS ONE ACCESSORY DWELLING UNIT PROGRAM
BCNI AMSTERDAM PLUS ONE ADU PROGRAM
PARTICIPANT GRANT AGREEMENT

This Agreement is made effective as of the ____ day of ____, ____, by and between Better Community Neighborhoods Inc (BCNI), with an office at 816 Union Street, Schenectady New York 12308, and ____ (“Owner”), residing at STREET ADDRESS.

WITNESSETH:

WHEREAS, BCNI has entered into a grant agreement with the New York State Housing Trust Fund Corporation (“HTFC”) to distribute and administer funds for projects under the New York State Plus One ADU Program (“Program”) to eligible properties selected in accordance with Program guidelines and for the purpose of building or improving an accessory dwelling unit (ADU); and

WHEREAS, BCNI must administer the distribution of Program grant funds for the project described hereinafter in accordance with all the terms and conditions of their grant agreement with the HTFC, and the HTFC’s applicable rules, regulations, policies and procedures, as amended from time to time.

WHEREAS, the Owner(s), working pursuant to the Program’s terms, intend(s) to enter into a contract with BCNI to *build a new accessory dwelling unit OR improve an existing accessory dwelling unit* (the “Project”) at the property located at the Owner’s address listed above (“Assisted Property”) using funds to be provided through the Program being administered by BCNI; and

WHEREAS, the Owner(s) acknowledge that the maximum amount of Program funds used for the Assisted Property will be no more than [ENTER GRANT AMOUNT]_ (“Grant Funds”).

NOW, THEREFORE, BCNI and the Owner(s) agree as follows:

1. Term.

The period of performance for all activities assisted pursuant to this Grant Agreement shall be ____ months, commencing on the effective date of this Grant Agreement and ending on ____ (“Term”), unless sooner terminated as provided for herein. The Owner(s) is required to engage a contractor that is provided by BCNI or selected pursuant to Section 3 herein, and such contractor must begin construction within thirty (30) calendar days of receipt of a fully executed Notice to Proceed Order.

2. Owner’s Representations.

The Owner(s) hereby expressly represents that he/she is the owner of the premises designated herein for improvement and rehabilitation and that, as the Owner(s), he/she has all lawful authority required to execute this Grant Agreement, which shall be binding upon the Owner(s) and/or its successors and assigns.

3. Contractor Selection.

The Owner(s) may either select a contractor from an BCNI-provided list of contractors or select a contractor pursuant to the bidding process described hereinafter.

1. Owner(s) shall obtain at least two bids for the Project to establish the reasonableness of project costs. All bidders must have equal access to relevant information, including

information on the property itself. The process shall be free of collusion or intimidation. All quotes shall be received directly by BCNI. BCNI will advise the Owner(s) of acceptability of bids/proposed cost. If the Owner(s) chooses other than the lowest bidder, BCNI must approve the selection based on the reasonableness of the cost.

2. The Owner(s) must obtain written consent from BCNI prior to performing their own renovations and/or hiring a family member to perform renovations. In cases where an Owner(s) or family member is selected to perform renovations, the Owner(s) will be reimbursed only for the cost of construction materials.
3. All contractors must provide references and proof of adequate and proper insurance coverage.

4. **Payment.**

BCNI is responsible for paying all Grant Funds to the contractor based upon the agreed Scope of Work. BCNI will make any progress payments to the contractor upon satisfactory verification by the Owner(s), or by the right of its own inspection, that the project is meeting its intended scope and is progressing as expected. Any modification, amendment or rescission of project costs must be requested in writing and approved in writing by BCNI.

To substantiate work costs, contractors must provide written contracts, bank documents, copies of invoices for materials and labor, cancelled checks, lien releases, and any other documents deemed necessary by BCNI to maintain effective internal controls. Cash payments will not be reimbursed.

The payment of any amount(s) due and payable to the contractor, shall be made within sixty (60) calendar days of the completion of a final inspection by BCNI and submission of a Certificate of Occupancy or a Certificate of Completion to BCNI.

5. **Inspection of Work: Unsatisfactory Work.**

The Owner(s) agrees that BCNI shall at all times have access to the job site and premises for the purpose of inspecting and reviewing the renovation work. In the event that the Owner(s) or BCNI shall determine at any time that there exists unsatisfactory work, BCNI shall notify the contractor in writing of the existence of such (sending copies to Owner and any interested parties), and the contractor shall correct such work within twenty (20) calendar days after receipt of said notice.

If the contractor fails or refuses to complete such corrections in the work within said period of time, BCNI shall have the right to complete the project by engaging another qualified contractor with the consent of the Owner(s).

6. **Insurance Requirements.**

1. **Homeowner Insurance Requirements.** The Owner(s) are required to maintain insurance on the property for all risks of property damage and loss by fire and other casualties, with extended coverage, and shall also procure coverage for all work in process under this contract. Insurance shall be for an amount sufficient to cover the full replacement costs associated with the accessory dwelling unit improved with Program funds.
2. **Contractor Insurance Requirements.** All contractors must provide proof of proper insurance. Proof of insurance must include general liability coverage in a minimum amount of \$500,000 and workers' compensation. The contractor shall also bear the risk of loss for all tools,

equipment, and materials not yet installed into the Owner's property. BCNI, State of New York, and the Housing Trust Fund Corporation must be listed as additional insured.

7. Regulatory Period.

The Owner(s), for a period of ten (10) years from project completion ("Regulatory Period"), shall take all necessary steps to ensure that the Assisted Property is maintained in good condition and repair.

The Owner(s) shall take all necessary steps to ensure that the Assisted Property is occupied by a year-round or long-term tenant for the duration of the Regulatory Period. Short-term rentals, including vacation and seasonal rentals, are not permitted and would constitute a violation of the regulatory terms. Owner(s) of Assisted Properties are not obligated to collect rent from the occupant of the ADU on the Assisted Property if the occupant is a family-member or for other reasons at their discretion. Owner(s) of Assisted Property that becomes vacant during the Regulatory Period must make good faith efforts to market the Assisted Property to potential long-term tenants.

If the Owner(s) of an Assisted Property sells or otherwise conveys the Assisted Property during the Regulatory Period, the Assisted Property must either be sold or otherwise conveyed to an individual(s) with an adjusted household income of no more than 100% of area median income ("AMI") or the grant funds provided under the Program will be subject to repayment in accordance with a simple declining balance based on the ten year regulatory term, and as detailed in a Restrictive Covenant.

In the event that the Assisted Property is sold or otherwise conveyed in accordance with these terms and those of the Restrictive Covenant, the new Owner(s) of the Assisted Property must execute an Affirmation assuming the regulatory requirements and responsibilities found herein and found in the Restrictive Covenant. Failure to execute such Affirmation may result in a recapture of Program funds in accordance with a simple declining balance based on the ten-year regulatory term.

The Owner(s) of the Assisted Property will be required to execute a Restrictive Covenant, in the form attached as Attachment D, which shall be recorded in the County Clerk's Office for the county in which the Assisted Property is located. The Owner(s) agrees to maintain the Assisted Property in compliance with the terms of this Grant Agreement, throughout the Regulatory Period. The Owner(s) further acknowledges and agrees that BCNI shall have the right, pursuant to its agreement with the HTFC, to inspect the Assisted Property to monitor the Owner's compliance with this requirement. The provisions of this section 7 shall survive the termination or expiration of this Agreement.

8. Termination.

In the event the Program or BCNI shall for any reason cease to exist or terminate prior to the completion of the work to be performed as specified in this Grant Agreement, or in the event the Owner(s) shall die, or the ownership of the building changes prior to the completion of such work, BCNI may terminate its obligation(s) hereunder to the Owner(s) (or its heirs or successors) by reimbursing the contractor for the work satisfactorily completed prior to the date of any such termination, death, or change in ownership. Upon such payment, any remaining funds of the project held by BCNI shall be released and discharged from any further claim on behalf of the Owner(s) or contractor and returned to the HTFC.

9. Compliance with Local Laws and Codes.

Any contract or agreement to be executed relative to the work contemplated by this Grant Agreement shall require that the Owner(s) give all notices required by, and comply with, all applicable laws, ordinances, regulations, and codes of the City/Town/Village of _____, the State of New York, and the United States.

10. Notice of Investigation or Default.

The Owner(s) shall notify BCNI within five (5) calendar days after obtaining knowledge of: (i) the commencement of any investigation or audit of his/her activities by any governmental agency; or (ii) the alleged default by the Owner(s) under any mortgage, deed of trust, security agreement, loan agreement or credit instrument executed in connection with the project; or (iii) allegation of ineligible or prohibited activities. Upon receipt of such notification, BCNI and the HTFC may, at their discretion, withhold or suspend payment of Program funds for a reasonable period of time while a review of activities and expenditures is conducted.

11. Default.

- (a) If an Event of Default as defined below shall occur, all obligations on the part of BCNI to make any further payment of Program funds shall, if BCNI so elects, terminate and BCNI may, in its discretion, exercise any of the remedies set forth herein; provided, however, that BCNI may make any payments after the happening of an Event of Default without thereby waiving the right to exercise such remedies, and without becoming liable to make any further payment.
- (b) The following shall constitute an Event of Default hereunder:
 - (i) if the Owner(s) fails, in the opinion of BCNI, to comply with or perform any provision, condition, or covenant contained in this Grant Agreement or the related Restrictive Covenant, any applicable State or federal law or regulation, or the Program policies and procedures established by the HTFC or BCNI;
 - (ii) if at any time any representation or warranty made by the Owner(s) shall be incorrect or materially misleading;
 - (iv) if the Program's minimum insurance requirements are not met by the Owner(s) and/or the contractor.
- (c) Upon the happening of an Event of Default, BCNI may, in its discretion, exercise any one or more of the following remedies, either concurrently or consecutively, and the pursuit of any one of such remedies shall not preclude BCNI from pursuing any other remedies contained herein or otherwise provided at law or in equity:
 - (i) Terminate this Agreement, provided that the Owner(s) is given at least ten (10) business days prior written notice.
 - (ii) Withhold or suspend payment of Program funds.
 - (iii) Require the Owner(s) to repay any Program funds disbursed for the Project, on a pro rata basis over the Regulatory Period. The amount to be repaid shall be determined by reducing the original amount of Program funds disbursed for the Project by one tenth (1/10th) for each year of the Regulatory Period the Owner was in compliance with this Grant Agreement.
 - (iv) Exercise any corrective or remedial action, to include, but not be limited to, advising the Owner(s) or building contractor to suspend, discontinue or refrain from incurring costs for any activities in question or requiring the Owner(s) or building contractor to reimburse BCNI and the HTFC for the amount of Program funds expended or used in an unauthorized manner or for an unauthorized purpose.
- (d) In the event this Agreement is terminated by BCNI for any reason, or upon the closeout of the Program, BCNI shall have no further liability or obligation under this Agreement; provided, however, that nothing herein is intended to relieve BCNI of its obligation to pay for services properly performed by the Owner(s)/contractor prior to such termination. Notwithstanding

any such termination or closeout, the Owner(s) shall remain liable to BCNI for any unspent Program funds, the expenditure or use of Program funds in a manner or for a purpose not authorized by this Agreement, or damages as a result of any breach of this Agreement by the Owner(s). BCNI shall have the right, at any time prior or subsequent to any such termination or closeout, to pursue any and all available remedies, including seeking injunctive or other equitable relief, to enforce the provisions of this Grant Agreement and to recover Program funds which are unspent, expended, or used in an unauthorized manner or for an unauthorized purpose.

12. Indemnification.

Any contract or agreement to be executed in furtherance of this Agreement shall require the contractor to defend, indemnify and hold harmless the Owner(s), BCNI, the municipality, and the HTFC from liability for any claim for injury or damages to persons including the contractor and his/her employees, subcontractors and agents, or property, resulting from any work performed under this Agreement.

13. Assignment.

The Owner(s) shall not assign this Agreement without the prior written consent of BCNI and any such request for assignment of said Agreement must be addressed to BCNI..

14. Waiver of Liability.

Nothing in this Agreement nor any act of BCNI, HCR or the HTFC, including but not limited to, an inspection of work, approvals given, permits issued or payments made, shall be construed as a warranty for the work performed under this Agreement, and the Owner(s) hereby expressly waives any such claim.

15. Photography Release.

The Owner(s) agree to complete a written consent, in the form attached as Attachment E to permit BCNI and the HTFC to publish photographs of assisted properties for promotional or public relations purposes.

16. Modification and Amendment.

This Agreement shall be construed under the laws of the State of New York, and may be modified or amended only by a written instrument executed by both the Owner(s) and BCNI.

17. Attachments:

The following attachments are hereby incorporated into this agreement and the Owner(s) shall adhere to the provisions contained therein.

Attachment A – Copy of Owner’s Application for Plus One ADU Assistance

Attachment B – Program Rules and Design Guidelines

Attachment C – Plus One ADU Restrictive Covenant

Attachment D – Property Photo Release Form

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set forth above.

BCNI

Signature → _____

Printed Name:

Title:

Date:

Owner(s)

Signature → _____

Printed Name:

Title:

Date:

Owner(s) – if applicable

Signature → _____

Printed Name:

Title:

Date:

**CONTRACTOR-OWNER AGREEMENT
FOR THE PERFORMANCE OF
HOUSING IMPROVEMENT WORK
BCNI AMSTERDAM PLUS ONE ADU PROGRAM**

OWNER(S): [_____]
PROPERTY STREET ADDRESS: [_____]
[MUNICIPALITY], [_____] County
SECTION/BLOCK/LOT: [_____]
AMOUNT OF GRANT ASSISTANCE: [_____]

DESCRIPTION OF ASSISTED IMPROVEMENTS: [_____]

Agreement made this [____] day of [____], 2025 by and between [HOMEOWNER(S) NAMES] (“Owner(s)”), and [CONTRACTOR NAME] having a principal place of business at [CONTRACTOR ADDRESS] (“Contractor”).

WHEREAS, Better Community Neighborhoods Inc (BCNI) was awarded a grant from the New York State Housing Trust Fund Corporation under the Plus One ADU Program (the “Program”), the purpose of which is to assist homeowners to build a new accessory dwelling unit (“ADU”) on their property OR improve an existing ADU that needs to be brought into compliance with local and State building code; and

WHEREAS, the Owner intends to [build a new ADU on their property OR improve an existing ADU that needs to be brought into compliance with local and State building code] (the “Project”); and

WHEREAS, the Owner has accepted assistance for the Project from BCNI under the Program; and

WHEREAS, the Owner has selected Contractor to carry out the Project;

Now, therefore, the parties do mutually agree as follows:

1. Employment of Contractor.
The Owner hereby engages the Contractor to perform the services and supply the materials upon the terms and conditions set forth herein.
2. Contract Price.
Subject to the terms and conditions stated herein, the Contractor has agreed to perform the work under this Contract for the sum of \$[_____].
3. Scope of Work.

The Contractor shall perform all services and furnish all materials necessary to make the improvements described in the “Work Write-Up/Scope of Work” required by the Program and attached hereto as Attachment A.

Any additional work for which the Owner(s) wishes to retain the Contractor that goes beyond the improvements described in the Work Write-Up/Scope of Work must be subject to a separate agreement between the Owner(s) and the Contractor.

4. Acceptance of Project Conditions.

The Contractor warrants that they have carefully examined all contract documents and have visited the Owner’s property and has observed all existing conditions, installations, work of others, and work to be performed by others or by the Owner and knows of no defect, deficiency, error, or inaccuracy in the specifications which adhere to and would cause failure in any manner to achieve the intended rehabilitation or failure to operate.

5. Acceptance of Contractor’s Bid and/or Proposal.

Upon the execution of this Agreement, the Contractor’s Bid and/or Proposal (attached hereto as Attachment B) shall be accepted by the Owner(s), but the Contractor shall not commence performance until they have received a written Notice to Proceed Order duly signed by the LPA and by the Owner.

6. Notice to Proceed Order.

Within seven (7) calendar days of the execution of this Agreement, BCNI shall issue a written Notice to Proceed Order, signed by BCNI and the Owner(s).

7. Time for Performance.

The Contractor shall commence performance of the improvements as described in the Work Write-Up/Scope of Work within thirty (30) calendar days of receipt of a fully executed Notice to Proceed Order, and all work to be performed by the Contractor shall be completed within [set project timeline] calendar days thereafter.

8. Subcontracting/Assignment.

The Contractor shall not assign this Agreement, in whole or in part, at any time. The Contractor shall not subcontract any part of the work under this Agreement or permit their subcontracted work to be further subcontracted without the prior written approval of BCNI. Any subcontract awarded by the Contractor shall not release the Contractor from all obligations of this Agreement in respect to work performed under the subcontract, and all provisions of this Agreement shall be deemed incorporated into any subcontract, and be a part thereof, binding upon the subcontractor. The Contractor agrees that they are fully responsible to the Owner(s) for the acts and omissions of their subcontractors and of persons either directly or indirectly employed by them. Nothing contained in this Agreement shall create any contractual relationship between any subcontractor, the Owner(s), and BCNI.

9. Insurance.

Before the execution of this Agreement, the Contractor shall provide BCNI with an insurance certificate for comprehensive general liability coverage in a minimum amount of \$500,000 naming the Owner(s), BCNI, the State of New York, and the Housing Trust Fund Corporation as additional insureds together with proof of workers' compensation coverage. The Contractor shall also bear the risk of loss for all tools, equipment, and materials not yet installed into the Owner's property.

10. Permits and Codes.

All permits and licenses necessary for the completion and execution of the work shall be secured and paid for by the Contractor. All work shall be done in conformance with applicable laws, ordinances, and municipal codes. The Contractor is responsible for providing any and all information required to secure approval for all necessary permits and licenses. The Contractor shall provide BCNI with a copy of any permits required. Should the Contractor perform work without securing the necessary permits or licenses, they shall bear all costs and liabilities arising therefrom.

11. Waiver of Liens.

Prior to the final payment of funds being disbursed hereunder, the Contractor shall submit to the Owner(s) and BCNI a release of all mechanics and material liens on a form to be provided by BCNI.

12. Payments.

The Plus One ADU Program operates on a cost-incurred and reimbursement basis. BCNI shall be responsible for payments to the Contractor based upon the agreed Scope of Work, attached as Attachment A. BCNI will make any progress payments to the contractor upon satisfactory verification by the Owner(s) or by the right of its own inspection, that the project is meeting its intended scope. Any modification, amendment, or rescission of project costs must be requested in writing and approved in writing by BCNI.

To substantiate work costs, contractors must provide written contracts, bank documents, copies of invoices for materials and labor, cancelled checks, lien releases, and any other documents deemed necessary by BCNI to maintain effective internal controls. Cash payments will not be reimbursed.

The payment of any amount(s) due and payable to the contractor, shall be made within sixty (60) calendar days of the completion of a final inspection by BCNI and submission of a Certificate of Occupancy or a Certificate of Completion to BCNI.

13. Workmanship/Warranty.

The Contractor warrants that all materials to be incorporated and all work performed shall be free of defects and shall meet all relevant standards of merchantability for the purposes intended.

The Contractor shall keep the Project area clean and orderly during the course of the work and remove all debris upon completion of work. Materials and equipment that have been removed and replaced as part of the work shall belong to the Contractor unless otherwise specified in writing by the Owner(s).

14. Defects After Completion.

The Contractor shall execute and deliver, in a form to be provided by BCNI, a guarantee of the work performed on the Project for a period of twelve (12) months from the date of completion. Furthermore, the Contractor shall furnish the Owner(s) with all manufacturer's and supplier's written guarantees and warranties covering materials and equipment furnished under this Contract. Any defects that appear within this twelve (12) month period and arise out of defective or improper materials or workmanship shall, upon the direction of the Owner(s) and/or BCNI, be corrected and made good by the Contractor at his/her expense.

15. Lead-Based Paint Hazards.

The use of lead-based paint products in the Project is specifically prohibited. The Contractor must comply with the Environmental Protection Agency's 2008 Lead-Based Paint Renovation, Repair and Painting Rule ("RRP") which may be found at 40 CFR 745 Subpart E.

16. Inspection of Work.

BCNI, HTFC, and/or their designees shall at all reasonable times have access to the work site for purposes of inspection and examination.

17. Records.

The Contractor shall maintain accurate books of account and records of all matters pertaining to the work under this Agreement, including, but not limited to, wages and hours of all employees, account of all materials, suppliers and independent contractors, and all matters pertaining to compliance with laws. Upon written notice of BCNI or HTFC, the Contractor shall furnish copies of such records during reasonable business hours.

18. Default.

In the case of default hereunder by the Contractor, the Owner and/or BCNI may exercise any corrective or remedial action, to include, but not be limited to, advising the Contractor to suspend, discontinue, or refrain from incurring costs for any activities in question or requiring the Contractor to reimburse BCNI and HTFC for the amount of

Program funds expended or used in an unauthorized manner or for an unauthorized purpose.

19. Third Party Enforcement Rights.

BCNI is hereby made an express third-party beneficiary of the rights granted to the Owner(s) under this Agreement and shall be entitled to enforce the Owner's rights under this Agreement should the Contractor breach or otherwise fail to perform its obligations under this Agreement.

20. Termination for Cause.

Should the Contractor fail to furnish materials or execute work in accordance with the provisions of this Agreement or fail to proceed with or complete work on the Project, upon seven (7) calendar days written notice to the Contractor, the Owner(s) and/or BCNI shall have the right to declare the Contractor in default hereunder. Such notice shall contain the reason(s) for the Owner(s) and/or BCNI's intent to declare the Contractor in default and, unless the violations shall cease with seven (7) calendar days of service of such notice, the Contractor shall be declared to be in default. The Owner(s) may then proceed to have the remaining work on the Project completed by another contractor. The Contractor shall be responsible for any damages resulting to the Owner(s), BCNI, or the HTFC by reason of said default.

21. Responsibilities After Termination.

Nothing contained in this Contract, or any amendment, supplement, or addition hereto, including the cancellation or termination of the Contract, shall in any way relieve the Contractor from the responsibilities of complying with the warranties and guarantees as provided for in Section 14 of this Contract.

22. Lien Law/General Business Law Article 36-A Notice.

Under Article 36-A of the New York State General Business Law, any contractor, subcontractor, or materialman who provides home improvement goods or services pursuant to your home improvement contract and who is not paid may have a valid legal claim against your property known as a mechanic's lien. Any mechanic's lien filed against your property may be discharged. Payment of the agreed-upon price under the home improvement contract prior to filing of a mechanic's lien may invalidate such lien. The owner may contact an attorney to determine his rights to discharge a mechanic's lien.

The Owner(s) expressly acknowledges that if the Contractor (or any subcontractor) is not paid, the Contractor (or subcontractor, if applicable) may have a claim against the Owner(s) which may be enforced against the Assisted Property in accordance with applicable lien laws.

The Contractor expressly acknowledges that they are legally required to deposit all payments received prior to completion of the Project in accordance with § 71-a(4) of the

New York State Lien Law or that, in lieu of such deposit, the Contractor may post a bond or contract of indemnity with the Owner(s) guaranteeing the return or proper application of such payments to the purposes of this Contract in accordance with §71-a(4)(b) of the New York State Lien Law.

23. Indemnification.

To the fullest extent permitted by law, the Contractor shall defend, indemnify, and hold harmless the Owner(s), the LPA, the Housing Trust Fund Corporation, and any of their agents and employees from and against any and all claims, actions, damages, losses, expenses, and costs of every nature and kind, including reasonable attorneys' fees, incurred by or asserted or imposed against the Owner, BCNI, and/or the Housing Trust Fund Corporation, as a result of or in connection with the Program.

24. Severability.

Should any part, term, or provision of this Agreement be decided by a court of competent jurisdiction to be invalid, unenforceable, illegal, or in conflict with any law, the validity, legality, and enforceability of the remaining portions shall not be affected or impaired.

25. Amendment.

Any modification or amendment to this Agreement must be requested in writing and approved in writing by the Owner(s), the Contractor, and BCNI.

26. Counterparts.

This Contract may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

27. Notices.

All notices or other communications with respect to the subject matter of this Contract shall be in writing and shall be deemed to have been given when personally delivered or sent by certified mail, return receipt requested, to the parties at the addresses set out below. Notice of a change of address shall be deemed to have been given when it is received.

Owner(s)' Address for Notice: _____

Contractor's Address for Notice: _____

BCNI's Address for Notice:
816 Union Street

Schenectady, NY 12308

28. NOTICE OF HOMEOWNER'S RIGHT TO CANCEL.

In addition to any and all other rights of the Owner(s) to revoke an offer, the Owner(s) may cancel this Contract until midnight of the third business day after the day on which the Owner(s) signed this Contract. Cancellation occurs when a Written Notice of Cancellation is given to the Contractor. Notice of Cancellation, if given by mail, shall be deemed given when deposited in a mailbox property addressed and postage prepaid. A Notice of Cancellation shall be sufficient if it indicates the intention of the Owner(s) not to be bound by the terms of this Contract.

29. Miscellaneous.

(a) The captions and headings of the various sections herein are for convenience only and do not, and shall not be deemed to, define, limit, or construe the contents of such sections.

(b) This Agreement, including the attachments, constitutes the entire agreement between the parties and supersedes all prior oral and written agreements with respect to the Project.

(c) This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of New York.

30. Opportunity for Review.

The Owner(s) and Contractor hereby acknowledge that they have had the opportunity to read this Agreement and seek the advice of an attorney if they so choose.

_____ (Owner's initials) _____ (Contractor's Initials)

31. Attachments. The following attachments are hereby incorporated into this Agreement and the Owner(s) shall adhere to the provisions contained therein.

Attachment A – Scope of Work

Attachment B - Contractor's Bid and/or Proposal

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set forth above.

<u>Contractor</u> Signature: _____ Printed Name: Title: Date:	<u>Owner(s)</u> Signature: _____ Printed Name: Title: Date:
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Second Owner *(if applicable)*

Signature: _____

Printed Name:

Title:

Date:



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 120% 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