

NYS Vacant Rental Program for Oneida County Property Owners

Frequently Asked Questions

The Vacant Rental Program is a state-wide program made possible through NYS Office of Homes and Community Renewal (NYS HCR) that offers property owners a maximum of \$75,000 per allowable unit to make needed repairs on existing vacant rental units. HomeOwnershipCenter (HOC) is the local program administrator for this program in Oneida County. For program administrators throughout the state, visit: <https://hcr.ny.gov/vrp>.

1. Is my property eligible?

- Property must be located in Oneida County, NY
- The property must not have more than five (5) units
- Property must be current on mortgage payments, property taxes, utilities, and insurance
- The property must not be in foreclosure
- Completed property must be legally permissible at the time grant funds are formally committed
- The property must have eligible vacant units or spaces (see explanation below)

2. What units in my property are eligible?

- Multi-family Property Units: Vacant units in multi-family properties (5 units or fewer) are eligible.
- Single-family Property Units: Vacant single-family homes are eligible if it will be used as a long-term rental. Vacant single-family homes may also be converted to rental properties of up to five (5) units. Occupied single-family homes are generally ineligible unless the home includes a separate legal and eligible vacant housing unit such as an “in-law apartment.”
- Mixed-use Properties: Vacant units (with 5 or fewer units) in mixed-use properties are eligible.

3. What do you mean by vacant units?

For a unit to be eligible for rehabilitation in this program it must be considered vacant or not legally rented at the time grant funds are committed because the unit is in uninhabitable or unmarketable condition as determined by HOC. There is no minimum time period that a unit must be vacant to be considered eligible.

Uninhabitable: means the unit does not meet minimum criteria as a safe and legally occupiable housing unit. If the unit is not fully code compliant for residential use, it is by definition uninhabitable.

Unmarketable: means that the unit may be legally occupiable but does not meet what would be reasonably considered acceptable conditions for decent and quality housing. Examples may include peeling paint, stained carpets, damaged ceilings, etc.

HOC will determine if a unit is uninhabitable or unmarketable and may establish additional criteria for making such determinations. HOC makes the final determination regarding vacancy and unit/property eligibility.

4. Can I relocate a tenant out of a unit to rehabilitate the unit?

No, an existing tenant cannot be relocated, evicted, or otherwise displaced for the purposes of receiving program funds based on vacancy status, including instances of voluntary displacement by the tenant. HOC will conduct an inspection to verify vacancy and a signed attestation from the property owner will be required.

5. Who is eligible to participate in this program?

All participants must be the intended ongoing property owner for the duration of the 10-year regulatory period and must be legally able to execute the required program documents, including the Participant Agreement and Declaration of Interest on the property.

Examples of eligible property owners include:

- Private Individual(s)
- Certain Business Entities (e.g., LLCs)
 - Business entities are required to disclose all principals and provide a copy of their operating agreement. Personal guarantees are required from all principals.
- Not-for-profit Organizations including those that will retain long-term ownership and management of the rental units
- Public or Quasi-public Entities

To support local housing stability, the program is intended for property owners who live locally (reside in Oneida, Herkimer, Madison, Fulton, Montgomery, Hamilton, Otsego, Onondaga, Oswego, or Lewis counties) and own 20 or fewer rental properties.

6. What is the “Responsible Owner” requirement?

Property owners must be determined a “Responsible Owner” by HOC to be eligible to participate in the program. At a minimum, property owners must:

- Disclose all properties under their ownership and control
- Not be in bankruptcy or foreclosure
- Have no outstanding federal, state, or local liens on the property
- Be compliant with any previous loan/grant programs
- Not be under current investigation by: Dept. of Health, EPA, HUD, or any state agency or local government for law or regulation violation
- Be current on mortgage payments, property taxes, and utilities
- Have current comprehensive property insurance policy

7. How much assistance can I receive through VRP?

Property owners can choose from one of two grant award options:

	Standard Award	Enhanced Award
Award Limit	\$50,000 per unit	\$75,000 per unit
Maximum Award	\$250,000	\$375,000
Tenant Household Income Limit	80% Area Median Income	60% Area Median Income

8. Do I have to cover part of the cost?

No, there is no match or contribution requirement to receive funding for rehabilitation work. If the grant award is not sufficient to cover the full cost of rehab, the project may not be eligible unless other eligible grant funding is already committed. **Property owners are responsible for covering the cost of any drawings, blueprints, etc. if required.**

9. What can the funds be used for?

Any rehab activities necessary to turn vacant units into habitable and marketable rental units are eligible even including items like roof replacement, foundation or basement repairs and fixtures if necessary. General site work, patio or deck work, garages or parking structures are not allowed. All rehab activities will be approved by an HOC inspector.

10. Can I do the work myself?

No.

11. Can I pick the contractor that does the work?

HOC will manage the bidding process and the final selection of the contractor due to State program requirements including choosing the lowest bidder. You may suggest a contractor be added to the list of approved contractors and you may ask to use that contractor on your project, but to secure the bid they must be the lowest bidder and meet HOC's approved contractor requirements.

12. What are the affordability restrictions that will be placed on the rehabbed units?

There are two types of affordability restrictions that will be placed on units that are rehabilitated with VRP funds:

Tenant Income Limit: The tenant's household income may not exceed either 60% or 80% of the Area Median Income depending on which grant award you apply for. HOC can provide you with information to meet this requirement.

Maximum Rent Limit: There is a maximum monthly rent that can be charged to tenants occupying an assisted unit. See below for additional information on how this is determined.

13. How is the maximum rent limit I can charge tenants determined?

HOC will advise you of the current maximum rent limit for your specific unit(s).

The maximum rent is based on the award type, tenant-paid utilities, and unit size. The rent limit is not based on the tenant.

14. Is there a minimum lease length?

Yes, tenant leases must be a minimum of 12 months. Under no circumstances may an assisted unit be used as a short-term rental.

15. How long are VRP restrictions in place for?

Property owners that participate in the program agree to abide by the restrictions for a period of ten (10) years (the “Regulatory Period”). Program obligations are agreed to in a Participant Agreement that the property owner executes with HomeOwnershipCenter as well as a Declaration of Interest on the property that is filed with the County Clerk.

16. What are my obligations during the Regulatory Period?

Property owners agree to the following for the duration of the Regulatory Period when participating in the VRP program:

- Maintain ownership of the property
 - Rent any assisted units to income qualified tenants
 - Charge at or below the maximum rent limit
 - Maintain units and the property in good condition
 - Allow site inspections by HOC
 - Complete an annual re-certification form to verify ongoing compliance with program regulations
- Property owner obligations are established through a Participant Agreement with HOC and through a Declaration of Interest on the property that is filed with the County Clerk. Non-compliance with the program regulations may result in the full recapture of grant funds from the property owner.

17. What if I want to sell or transfer the property?

Participation in VRP should be considered a 10-year commitment. However, recognizing that circumstances can change, sale or transfer of the property will be allowed subject to the following:

- Property owner must notify HOC of intent to sell property
- The presence of VRP program restrictions and obligations must be disclosed to prospective purchasers
- The new owner must execute an Affirmation assuming the regulatory requirements and responsibilities of the Vacant Rental Program for the remainder of the Regulatory Period

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- The property owner must receive permission to sell the property from HOC and the NYS Office of Community Renewal

18. What if I no longer wish to participate in the program?

Participation in the Vacant Rental Program is a 10-year commitment. A participating property owner may not exit the program by repaying the grant assistance. The Declaration of Interest on the property will not be released prior to the completion of the 10-year Regulatory Period. A property owner has the option to sell or transfer the property to a new owner that is willing to assume the responsibilities of the program.