



**DUTCHESS COUNTY GOVERNMENT**  
**DEPARTMENT OF PLANNING & DEVELOPMENT**

To: Hon. Will Truitt, Chairman of the Legislature  
Dutchess County Legislators  
Leigh Wager, Clerk of the Legislature

From: Eoin Wrafter, Commissioner of Planning & Development

Re: NYS Housing and Community Renewal ADU Plus One Program

Date: December 5, 2024

The Department of Planning & Development has reviewed the NYS Homes and Community Renewal (HCR) Plus One ADU Program as another potential tool to help address our shortage of housing. The following is an overview of the program, information shared from neighboring counties who are participating, and an outline the necessary deadlines and potential challenges to implementing the program in Dutchess County.

The Plus One ADU Program is an initiative to create and improve Accessory Dwelling Units (ADUs) across the state. The program provides grants to units of local government and not-for-profit organizations to support low- and middle-income single-family homeowners who wish to build a new ADU on their property or improve an existing ADU to bring it into compliance with local and state code requirements. Depending on the property and what the locality permits, ADUs may be small, stand-alone (detached) units on residential lots, basement apartments, garage conversions, or other permitted units. More information on the program can be found at <https://hcr.ny.gov/adu>

Some critical HCR guidelines for the program:

- HCR guidelines define a single-family home as (1-4 unit homes). A property with a duplex would be eligible, but a property with two separate single-family homes would not.
- The main home must be the Participant's primary residence. Second home properties are ineligible.
- The ADU may not be used as a short-term rental.
- The homeowner income threshold, no more than 100% of the area median income (AMI) which is \$114,800 in Dutchess County, below is a table of estimated eligible incomes adjusted for family size:

Household Size	1	2	3	4	5	6	7	8
Maximum Annual Income	\$80,385	\$91,815	\$103,371	\$114,800	\$124,046	\$133,163	\$142,409	\$151,526

Columbia, Orange, and Ulster counties are all currently participating in the program. Rural Ulster Preservation Corporation (RUPCO) administers the program for all three and each county has planning staff who handle the necessary outreach and logistics with participating municipalities. We have spoken with Ulster County Planning and the Rural Ulster Preservation Corporation (RUPCO) to learn about their experiences with the program. Both spoke highly of the program, but also expressed lessons learned. RUPCO additionally shared this relevant information:

- HCR funding does not cover all the homeowner's expenses to build the ADU;
- There is a homeowner income threshold - no more than 100% of the area median income (AMI), adjusted for family size;
- Municipalities must demonstrate that existing zoning and other applicable building codes allow for ADUs and that they are committed to facilitating an RP-421-f property tax exemption for any increase in value from the ADU improvement or creation;
- Currently, only 8 out of 24 municipalities are participating in Ulster County;
- Ulster County instituted a stipulation that the rent be Fair Market Rent for 10 years with priority given to those who agree to rent at 60% of AMI.

Dutchess County has not pursued earlier rounds of the Plus One ADU program as our housing planners have been fully engaged in administering several other successful housing development programs including our CDBG, HOME and Housing Trust Fund programs. **The Planning Department does not currently have the staff capacity required to support the ADU program.**

Please be aware of the following additional considerations that may limit the program's uptake in our county:

- We would experience the same challenge as Ulster County of grant funding not fully covering ADU construction costs in communities throughout Dutchess County, leaving part of the expense to the homeowner.

*Municipal participation:*

- We have done a cursory review of all 30 municipalities' zoning codes and we believe 29 could demonstrate that their zoning allows for ADUs. However, only three appear to allow them as of right. We caution that the permissive zoning of 26 municipalities may not translate into a desire by the municipality to participate in the program, which could significantly hinder the program's success.
- We have no data or knowledge if any of our municipalities are committed to facilitating an RP-421-f property tax exemption. While not a requirement, a lack of this could make the application less competitive.
- Each municipality that would like to participate would need to provide a letter of support and commitment before January 15<sup>th</sup>.

It is important to reiterate that the Plus One ADU program is open to local municipalities to apply for, regardless of County- level participation. There are communities including Pine Plains, Amenia, and North East, who have expressed interest in the program. We would encourage interested municipalities to apply for the rapidly approaching deadline. We do anticipate there will be future rounds seeking additional applications for the county to consider in the future.

If you have any questions, please contact me.

C: Sue Serino, County Executive  
Jessica White, Budget Director