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NYC Plus One ADU Program Frequently Asked Questions (FAQ)

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Plus One ADU Program Eligibility

1. Who is eligible for participation?

Homeowners earning up to 165% of Area Media Income (AMI) (see AMI chart for reference) may be eligible for the program. Currently, homeowners earning up to 100% AMI are being prioritized for the program. Homeowners must occupy their property as a primary residence, have valid homeowner's insurance and have no outstanding municipal or mortgage arrears.

2. How do I calculate my household AMI?

A household's Area Median Income (AMI) may be determined by referencing this AMI Chart. To calculate your household AMI, add the gross annual income for all members of your household. Then, find your household size on the chart. Your AMI is approximately the income listed corresponding to your household size. For example, a family of four earning $145,800 would be income-eligible for the program at 90% AMI.

3. What kind of properties are eligible for the Plus One ADU Program?

To qualify for the Plus One ADU Program, a property must meet the following criteria:

- Be an existing 1-2 unit property, either semi-attached or fully detached
- Be located within the five boroughs of New York City
- Be in a zoning district that allows up to three residential units under current zoning and building codes
- Be located outside of FEMA's Special Coastal Risk District

For basement conversions, additional requirements apply:

- The home must be outside of NYC's 2050 Stormwater Flood area, the 2100's 100-year coastal flood zone, and the 10-year rainfall flood risk area
- The property mush have no history of flooding within the last three years
- The basement must meet minimum ceiling height requirements (7 feet) prior to conversion
- Participants interested in legalizing an existing illegal basement unit, should refer to the basement legalization section of this FAQ (starting on page 5) for additional information.

4. ***Can I get reimbursed for an ADU that I already renovated myself?***

   No, however having a livable ADU on the property may make owners eligible to apply for homeowner property tax exemptions and benefits through the NYC Department of Finance.

5. ***Can homeowners apply to the Plus One ADU Program if an ADU on their property is currently occupied?***

   Yes, a homeowner may apply to this program if the space intended to become an ADU is currently occupied.

6. ***Can I still build an ADU if I don't qualify for this program?***

   Yes! If you don't qualify for the program, you can still move forward by enlisting the help of a licensed professional engineer or registered design professional to file plans and pull permits with the NYC Department of Buildings (DOB) before work can begin on your ADU. General information about building permits is available on DOB's website, linked here. You can find a wider range of NYC DOB resources here, which include guides on the permitting process, and general support for homeowners and tenants. NYC is also developing a new website with a comprehensive suite of resources for homeowners interested in independently developing an ADU called ADU For You. This resource is linked here.

7. ***I think I applied for the Plus One ADU program, but I never heard anything about my application.***

   The initial Plus One ADU Pilot Program interest survey was open from November 2023 through February 2024. NYC homeowners who were interested in the program had the opportunity to fill out an initial survey providing general information about themselves and their properties. Out of those initial survey respondents the Plus One ADU Program began to usher in the first round of eligible applicants through the program.

   Since then, the New York City Council passed the City of Yes for Housing Opportunity, a sweeping amendment to the City's zoning code which broadened the scope of ADU projects the program could take on. As a result, the Plus One ADU Program is working on reevaluating hundreds of sites from the initial interest survey response pool against the new City of Yes zoning regulations and hope to welcome more, newly eligible applicants into the program in the coming months.

   If you've filled out the interest survey but have not heard back yet, your application may still be under review. You may email PlusOneADU@hpd.nyc.gov an inquire on the status of your survey response.

General ADU Information

1. ***How do I know if I can build an ADU on my property?***

   Generally speaking, you may build an ADU as of right if you are the owner-occupant of an existing 1-2 unit, semi or fully detached property across NYC. There are certain restrictions, per the updated zoning code, that dictate what kind of ADU you can build and where. For example, detached ADUs are not permitted in certain low density zoning districts (R1-2A, R2A and R3A), unless they are located in the Greater Transit Zone. Detached ADUs are also not permitted in historic districts, unless you are converting an existing structure into an ADU. You can find a map of historic districts and the greater transit zone, here). Basement and detached ADUs are not permitted if they are within the coastal flood zone or the 10-year high risk flood zone (you can find a preliminary flood map here, and an official map will be published in mid-2025).

2. ***How is the homeowner occupancy requirement enforced?***

   The homeowner must be residing on the zoning lot at the time of initial occupancy of the ADU. If you are a recipient of financing through the Plus One ADU Program, you will be required to submit annual affidavits affirming the property remains your primary residence.

3. ***How do I know if the Multiple Dwelling Law (MDL) applies or makes a unit infeasible on my property?***

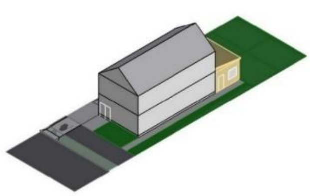
   The Multiple Dwelling Law (MDL) and its associated requirements generally apply to existing 2-unit buildings that are adding a third unit—unless the third unit is in a separate building—either as a detached structure or through the addition of an attached ADU that is separated by a firewall. Homes adding an ADU through the basement legalization program, are also exempted from MDL compliance.

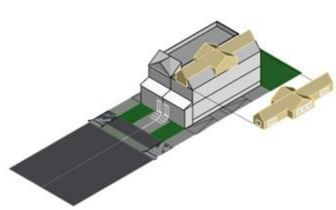
   MDL includes a number of building requirements, some of which may be cost-prohibitive, such as the need to install sprinklers. Other requirements may be structurally infeasible due to significant upgrades that are required in the entire building (e.g. requirements related to building footprint, increasing ceiling height, egress and common spaces, and room sizes).

   Whether or not MDL requirements make an ADU infeasible depends on the specific conditions onsite.

4. ***What type of ADU can I add to my home?***

   An ADU can be converted from existing space within the home, such as an unused attic or basement, or on the property, such as a detached garage or shed. Newly built, detached structures or additions to the main building may also be allowed for properties with adequate space to construct them. Acceptable typologies can be seen below.





Attached Structure (new construction or conversion)

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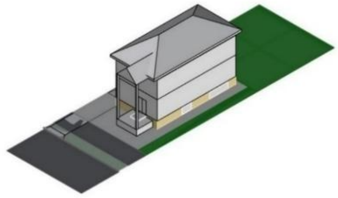
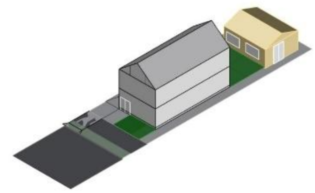


Basement



Detached Structure (new construction or conversion)

5. Are there specific requirements for basement ADUs?

Yes, basement ADUs are subject to specific requirements depending on whether they are part of the Basement Legalization Program or not.

As part of recent amendment to the zoning code, the NYC Council passed companion legislation (Local Law 126 of 2024), which established the basement legalization program—a pathway for currently illegal, but occupied units to be brough into compliance with the law. The program will be led by the NYC DOB and includes geographic restrictions for areas that are particularly susceptible to stormwater flooding. Homeowners participating in the Basement Legalization Program may also be eligible for financing through the Plus One ADU Program.

If you are seeking to legalize an existing, illegal basement unit, please refer to the Basement Legalization section of this FAQ (starting on page 5).

For new basement ADUs not going through the Basement Legalization Program, which are being financed through the Plus One ADU program, additional requirements may apply as part of the scope of work. For example, if the property is located within a 50-foot border of the 2080 Stormwater Flood Map.

6. What is the minimum or maximum size an ADU can be?

There is no minimum unit size established for an ADU. However, ADUs cannot exceed 800 square feet. If you are building a detached ADU structure in your backyard, the structure cannot exceed one third of your required #rear yard (Section 23-341 of the NYC Zoning Resolution).

7. Are two-family buildings allowed to build ADUs?

Two-family buildings are permitted to add one ADU. In some cases, adding an ADU to an existing two-family dwelling will trigger compliance with the Multiple Dwelling Law (MDL). MDL essentially requires additional upgrades are made to the entire building to ensure the building is safety to house more occupants.

The MDL is not triggered if the ADU is:

- Fully detached from the primary structure
- Attached to the primary structure, but separated by a fire-separated wall between the ADU and primary structure.
- A basement ADU legalized as part of the Basement Legalization Program

8. Do I need to add an additional parking space for my ADU?

No, you are not required to add a new parking spot if you are building an ADU on your property.

9. Can an ADU be two stories? Can an ADU be elevated for flood resistant purposes?

ADUs shall not exceed one story or 15 feet in height, except where a parking space is provided below a portion of a building containing an ADU. In those cases, the maximum height of the building can be two stories or 25 feet. The height of an ADU is measured from the Base Flood Elevation, so it may be elevated for flood resistance purposes.

10. Can an ADU go in the front yard?

No.

11. *What is the minimum distance required from the lot line if I want to build a detached ADU*?

Generally speaking, you are required to be a minimum of five feet from the lot line if you are building a detached ADU on your property, unless you are converting an existing detached structure, which may allow for greater flexibility under the Zoning Resolution. You will still need to ensure you are meeting the minimum egress requirements under the Building Code, however.

Basement Legalization Program

1. What is the Basement Legalization Program?

The Basement Legalization Program was established by the NYC Council through Local Law 126 of 2024. The program provides a pathway for currently illegal, but occupied units to be brough into compliance with the law. The program will be led by the NYC DOB and includes geographic restrictions for areas that are particularly susceptible to stormwater flooding. Homeowners participating in the Basement Legalization Program may also be eligible for financing through the Plus One ADU Program.

2. What are the eligibility requirements of the program?

The property must have an existing, illegally occupied basement or cellar unit as of April 20, 2024 and must apply to DOB's Temporary Residence Program by April 20, 2029. The property must be located outside the 10-year rainfall flood risk area and the coastal flood zone.

3. What are the required building code upgrades??

Homeowners must complete the following upgrades to bring their unit into compliance:

- Post required signage and notify existing tenants of upcoming construction work
- Install hardwired smoke and carbon monoxide detectors
- Install water sensors and alarms
- Install automatic sprinklers
- Install stairwell
- Have at least one means of egress

- Meet 7-foot minimum ceiling height requirement
- Receive a vapor and radon level certification
- Receive an amended, legal Certificate of Occupancy from NYC DOB
- Complete all required building code upgrades within 10 years of issuance of the TRP

4. ***Are there certain parts of the City that are eligible for this program?***
   Yes, this program is limited to specific geographies in the city.

   To be eligible, the property must be located within one of the following Community Districts:
   - Bronx Community Districts: 9, 10, 11, 12
   - Brooklyn Community Districts: 4, 10, 11, 17
   - Manhattan Community Districts: 2, 3, 9, 10, 11, 12
   - Queens Community District: 2

Pre-Development Process

1. ***How long will the process take?***

   Selected participants should be prepared for a multi-year process with commitment to the steps as follows:

   1. Online Survey Submission
   2. Program Application and Fee
   3. Financial Review
   4. Home Inspection
   5. Program Approval Letter and Developer Agreement
   6. Pre-Development – Design
   7. Pre-Development - Contractor Bidding
   8. Pre-Development - Loan Processing and Closing
   9. Construction
   10. Tenant Approval and Monitoring.

2. ***What documentation is required as part of the application? (*Form included in application provided by Restored Homes HDFC)***

Homeowners who pass the initial site analysis will receive a loan application for the program. Applicants will need to submit the following documents to be considered further for the program:

- Non-refundable application fee of $200
- Plus One ADU application form*
- Valid proof of primary residence and homeowner occupancy affidavit
- Right of Entry form*
- Proof of valid homeowner's insurance
- Proof of income with four consecutive paystubs, a W2 form and income tax returns within the last two years or documents to prove any supplemental income, unemployment or self-employment.
- Absent Deed Holder Form if applicable*
- Certificate of death for those who have passed but remain the named individual on the deed if applicable.
- Designated Communication Form

3. ***Can I use my own contractor or architect?***

   No, our program administrator, Restored Homes HDFC will provide a list of program approved Architects and General Contractors.

4. ***Are there energy efficiency requirements for ADUs?***

   Yes, all ADUs financed through the Plus One ADU program will meet the standard HPD design guidelines, which include general parameters around energy efficiency.

Financing & Loan Terms

1. ***How does the Plus One ADU Program financing work?***

   Eligible homeowners will receive grant funding through HCR, up to $175,000, and a loan from the City of New York, up to $220,000, for a combined, $395,000 in city and state financing per property. The loan portion may be structured as an amortizing loan (interest rate and repayment terms based on underwriting) with no regulatory agreement, or deferred-forgivable loans, with the requirement of rent restriction on the new ADU unit at 100% AMI with annual increases capped at 2%.

2. ***How are the terms of the loan determined?***

   Loan terms are based on factors including household income, credit score, debt to income ratios, and age. Income from rental units will be included in household income calculations. Monthly loan payments will be set so that the household has at least $200 monthly cash flow available after household debt obligations are subtracted from household income. Homeowners should work with program administrator to assess household finances and their ability to repay debt incurred through the Plus One ADU Program. If all loans secured by the home have a value that exceeds the post-renovation value of the home, HPD may consider making a conditional grant for the portion of the loan in excess of the value.

3. ***What happens if my property does not pass an on-site inspection?***

   If a property does not pass the onsite inspection due to unforeseen barriers to construction or if the information in the homeowner's application does not match the property, an applicant will not be eligible to move forward with the program.

4. ***How are contractors/architects selected?***

   Homeowners will work with qualified contractors and architects approved by the Plus One ADU program administrator, Restored Homes HDFC.

5. ***Where can I go for homeowner and technical support for pre and post construction?***

   Our program administrator, Restored Homes HDFC will provide pre- and post-construction support through a one-year warranty to participating homeowners. For landlord best practices and other homeowner resources, contact the Homeowner Help Desk.

6. ***How will building an ADU affect my taxes and property value?***

   Adding an ADU will contribute to property tax increases over time, however, there is a partial tax exemption over the initial ten-year period following construction completion. Owners may apply for homeowner property tax exemptions and benefits through the NYC Department of Finance.

7. ***What are my responsibilities during construction?***

   Program participants are required to attend and complete a homeownership training class and will be required to provide documentation of completion during the construction process.

8. ***What are my responsibilities throughout the term of the loan?***

   Borrower must maintain ownership of property as a primary residence for at least 10 years, or 15 years if the homeowner is subject to an HPD regulatory agreement. Primary residency requires that the homeowner resides in the home no less than 270 days per year. If the applicant sells the home to a non-eligible homeowner or refinances to extract equity form the home (cash-out refinance) during the loan term, the loan must be repaid.

Rental Restrictions

1. Can I rent out both my home and the ADU?

No, homeowners are prohibited from renting out both their home and the new ADU in NYC. An owner must either occupy the primary structure or the ADU as their primary residence.

2. Are landlord trainings required?

Yes, as a requirement to participate in the Plus One ADU program homeowners will be required to take one group training courses on best practices for landlords such as housing maintenance and tenant support.

3. Am I required to have a lease for my ADU when renting out my unit?

Yes, any homeowner benefitting from this program is required to rent either their original home or their new ADU and they should have a lease with their tenant. Standard template leases will be provided to landlords through the program.

4. Who can I rent the unit to? Are there income or eligibility restrictions for tenants?

Rental restrictions are dependent upon the type of financing provided through the Plus One ADU Program. Homeowners who receive deferred and forgivable loans are subject to a regulatory agreement on their property which will limit how much rent they can charge for their ADU to keep the unit affordable. Homeowners who receive an amortizing loan would not be subject to this restriction. All homeowners qualifying for the program must maintain their ADU in good condition and submit an annual certification and lease compliance affidavits for the duration of the loan terms to HPD confirming they continue to occupy their home as their primary residence.

City of Yes for Housing Opportunity

1.What is the City of Yes for Housing Opportunity (CoYHO)?

City of Yes for Housing Opportunity (CoYHO) is a wide-ranging initiative to modernize City's outdated zoning code to help address the shortage of housing in New York City. CoYHO was adopted by the City Council on December 5, 2024. It establishes a Universal Affordability Preference, which allows for more housing to be built if a percentage of units are income restricted. The initiative also makes it easier for owners to convert underutilized office spaces into housing, lifts parking mandates, facilitates the construction of ADUs, allows upzoning in certain areas (Town Center Zoning and Transit-Development areas), and supports the development of small or other shared housing models.

2. How does Plus One ADU relate to City of Yes for Housing Opportunity (CoYHO)?

City of Yes for Housing Opportunity officially defined Ancillary Dwelling Units (ADUs) in the zoning code for the first time and established clear guidelines around how homeowners can add ADUs to their property. Many of the regulations that would have previously made developing ADUs extremely difficult have now been relaxed to increase the supply of affordable housing in NYC. This change is part of a broader effort to increase the supply of housing in NYC.