

Vacant Rental Program (V-RIP)

Property Owner Frequently Asked Questions

Updated 1.6.25

The following questions and answers are intended to assist property owners that are interested in participating in the Vacant Rental Program. Please note that your Local Program Administrator can provide additional details and answer your questions about the program (see answer for question 1 for link to list of Local Program Administrators).

1) [How can I receive assistance for my property?](#)

The Vacant Rental Program is administered by nonprofit organizations and local governments across the state. Interested property owners should contact the appropriate local program administrator that covers the area in which the property is located. A full list of providers and their service areas is available online at <https://hcr.ny.gov/vrp>. Please note that property owners cannot apply for assistance through the NYS Office of Community Renewal.

2) [Is my property eligible?](#)

The following guidelines apply to property eligibility:

- The property must be located in an area with a local service provider
- The property must not have more than five (5) units currently or post-completion
- The property must not be in foreclosure
- The completed project must be legally permissible at the time grant funds are formally committed to a property owner
- The property must have eligible vacant units or spaces (see following question)

3) [What units in my property are eligible?](#)

Existing vacant rental units or existing vacant buildings and units that will be converted to restricted rental units. The following are examples of eligible units by property type:

- 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.”
- Non-residential Properties: Vacant non-residential properties are eligible for conversion to up to five rental units, if allowable by code.
- Mixed-use Properties: Vacant units in mixed-use properties are eligible.

4) How is vacancy determined?

A unit is generally considered vacant if it is unoccupied or not legally rented at the time grant funds are committed because the unit is in uninhabitable or unmarketable condition (as determined by the LPA). There is no minimum time period that a unit must be vacant for.

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.

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

5) 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. The Local Program Administrator will conduct an inspection to verify vacancy and a signed attestation from the property owner will be required.

6) What types of property owners may participate?

All participants must be the intended ongoing property owner for the duration of the 10-year regulatory period. Property owners must be legally able to participate, which means being able to execute the Participant Agreement and Declaration of Interest in 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
 - Not-for-profit organizations that will retain long term ownership and management of the rental units may be eligible to participate.
- Public or Quasi-Public Entities

7) What is the “Responsible Owner” Requirement?

Property owners must be determined by the Local Program Administrator to be a “Responsible Owner” to be eligible for participation as part of the application process. Each Local Program Administrator will establish criteria for this determination. Generally, it is expected that property owners will need to meet the following requirements at a minimum:

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

8) Will certain properties or owners be prioritized?

Yes, at a minimum, owners that live locally will be prioritized as well as owners with smaller real estate portfolios. Local Program Administrators may adopt additional prioritization criteria and can advise of any such additional criteria.

9) How much assistance can I receive through the program?

Property owners can choose from one of two grant award options as shown below. The Enhanced Award provides an incentive for renting to households at or under the 60% of Area Median Income level, which also includes a lower allowable rent limit that can be charged to tenants.

	Standard Award	Enhanced Award
Award Limit	\$50,000 per Unit	\$75,000 per Unit
Maximum Award (for 5 Units)	\$250,000	\$375,000
Tenant Household Income Limit	80% Area Median Income	60% Area Median Income

The per unit award calculation is based on the number of eligible vacant units that will be rehabilitated and subject to the 10-year Regulatory Period affordability requirements.

10) Do I have to cover part of the cost?

No, there is no match or contribution requirement for property owners to be eligible to participate. However, if the grant award is not sufficient to cover the full cost of rehabilitation, a property owner will be required to demonstrate an acceptable plan for completing the full rehabilitation project, which may include evidence of available/committed funds.

11) What can the funds be used for?

Generally, any rehabilitation activities necessary to turn vacant units in habitable and marketable rental units are eligible. Funds may also be used for certain fixtures if necessary for rental and occupancy of the unit. Site work is generally not eligible except in specific circumstances. Local Program Administrators can advise you on the eligibility of proposed activities.

12) Can I do the work myself?

No, a property owner cannot serve as their own contractor for a VRP project. The program requires that a bid process is used to solicit bids and select a contractor to ensure the process is free from conflicts of interest.

13) Can I pick the contractor that does the work?

The Local Program Administrator is responsible for managing the bidding process. A property owner may select the contractors that are solicited for bids. Note that there are minority and women-owned business (MWBE) requirements for the bidding process that will still need to be followed. The lowest responsible bidder must be selected; however, a property owner may choose another bidder, but VRP assistance will be based on the lowest responsible bid amount (i.e., the property owner will be responsible for the cost difference).

14) How long does it take to be notified about the status of my application?

The Local Program Administrator will notify a property owner of the status of their application within 30 days of a complete application being submitted. Additional site inspections and verifications may occur after the initial notification.

15) What are the affordability restrictions that will be placed on the units that I rehabilitate?

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. The Local Program Administrator will assist property owners in meeting 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.

16) How is the maximum rent limit I can charge tenants determined?

The Local Program Administrator 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.

The maximum rent an owner can charge is based on the Area Median Income (AMI) income threshold of either 80% AMI or 60% AMI, depending on the award option selected by the property owner (Standard or Enhanced).

AMI levels are based on published annual Department of Housing and Urban Development (HUD) income limits based on household size.

The rent limit, based on AMI, is determined using the Novogradac Rent & Income Limit Calculator© found at <https://www.novoco.com/resource-centers/affordable-housing-tax-credits/rent-income-limit-calculator>

The rent limit is then adjusted by the Local Program Administrator based on the utilities that are paid by the tenant.

17) How are eligible tenants selected for the units?

Property owners may select their own tenants for selected units. All Fair Housing Laws must be adhered to when selecting tenants.

Local Program Administrators may assist property owners in identifying and selecting eligible tenants.

Income verification procedures will be established by the Local Program Administrator.

18) What if an eligible tenant can't be found?

If an eligible tenant cannot be found, the owner may submit a waiver request to the Local Program Administrator, which must also be approved by the NYS Office of Community Renewal. A waiver will only be considered if all reasonable avenues to finding a tenant have been exhausted.

19) 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 (STR).

20) How long are the 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 the Local Program Administrator as well as a Declaration of Interest in the Property that is filed with the County Clerk.

21) What are my obligations over 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 the Local Program Administrator
- Complete an annual re-certification form to verify ongoing compliance with program regulations

Property owner obligations are established through a Participant Agreement with the Local Program Administrator and through a Declaration of Interest in the Property that is

filed with the County Clerk. Copies of these documents are available on the VRP website: <https://hcr.ny.gov/vrp>

Non-compliance with the program regulations may result in the full recapture of grant funds from the property owner.

22) 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 Local Program Administrator 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
- The Property Owner must receive permission to sell the property from the Local Program Administrator and the NYS Office of Community Renewal.

23) 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 in 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.