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Contact: Chris Saur
Phone: 916.326.8604
Fax: 916.322.2345
csaur@calhfa.ca.gov
www.calhfa.ca.gov

First Accessory Dwelling Unit begins construction through California Housing Finance Agency's innovative pilot program

Partnership with Self-Help Enterprises is providing a deal model that CalHFA can use to grow its financing program

SACRAMENTO, December 11, 2020 — With California's already severe housing crisis being made even worse due to COVID-19 and the related economic challenges, Governor Gavin Newsom's Administration and the State Legislature have been searching for innovative solutions.

One solution area that has received strong legislative support in recent years is Accessory Dwelling Units (ADUs), and now the California Housing Finance Agency (CalHFA) is announcing the first unit using its ADU financing pilot program has begun construction.

In partnership with Self-Help Enterprises, a community development organization based in the San Joaquin Valley, CalHFA is acting as a construction lender for the award-winning Cottage Home Program in the City of Clovis.

CalHFA has set aside \$2.5 million for this pilot financing program, and the deal model used by this first ADU is a huge step toward growing the program for use across the state.

"Thanks to the innovative work of the City of Clovis and Self-Help Enterprises, we expect to create a pilot group of 20-30 ADUs financed that will inform a financing program with a larger geographic footprint," said CalHFA Executive Director Tia Boatman Patterson. "This type of gentle density housing has many benefits including adding to the supply of affordable homes for low- and moderate-income Californians, assistance to homeowners that may be struggling to afford the cost of housing, and furthering the state's fair housing goals by providing housing opportunities in higher resources areas."

Key innovative elements of the Clovis' Cottage Home Program, which earned a National Planning Achievement Award For A Best Practice from the American Planning Association in 2019, are the architectural design templates provided to the homeowners at no cost, expedited reviews and fee waivers. Self-Help Enterprises works directly with the homeowners/borrowers to provide the financing and service the loans, while collaborating with the city to market the ADU program.

The first homeowner to use CalHFA financing got an \$80,000 loan to construct a 416 square foot unit next to their existing home in Clovis.

“We know that affordable housing is the basic building block for health, security and economic opportunity, so we are excited to bring new and innovative affordable housing programs to the San Joaquin Valley,” said Self-Help Enterprise President/CEO Thomas J. Collishaw.

Following the intention of the Administration and the Legislature, CalHFA has explored various avenues and partnerships to finance ADUs, including ongoing collaboration with State Treasurer Fiona Ma, and this announcement marks an important milestone in those efforts.

“There is a desperate need for the state to use its resources to finance additional affordable housing opportunities, and accessory dwelling units are an important piece of that puzzle,” Ma said. “I am glad to see CalHFA take this meaningful step toward an ADU financing program that may be replicated throughout the state.”

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The California Housing Finance Agency was created in 1975 with the goal of helping more Californians find a place to call home. CalHFA is a self-supported state agency that doesn't rely on taxpayer dollars. For more information on CalHFA programs, and how we are creating progressive financing solutions for affordable housing in California, visit www.calhfa.ca.gov or call toll free at 877.9.CalHFA (877.922.5432).