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ADUs, often called granny flats or casitas, are gaining ground with homeowners and local government

SACRAMENTO, September 29 – Following a Tuesday event in Oakland where Governor Gavin Newsom [signed legislation](#) to boost affordable housing supply and strengthen accountability measures – and touted the state’s \$22 billion investment in a broad range of housing types including Accessory Dwelling Units (ADUs) — the California Housing Finance Agency is thrilled to introduce its new [ADU Grant Program](#).

The CalHFA ADU Grant Program will provide as much as \$25,000 in assistance to low- to moderate-income homeowners to build accessory dwelling units on their property. Increasing the production of ADUs, also referred to as granny flats, in-law suites or casitas, is one of the latest efforts to ease the affordable housing shortage in the state.

California has an estimated 240,000 ADUs, a tiny fraction of the overall single-family housing supply. But more homeowners – especially those in high-cost areas like the Bay Area and Southern California – are embracing the idea, with about 25,000 building permit applications for ADUs issued in 2019 and 2020, according to the [UC Berkeley Center for Community Innovation](#).

“ADUs are an affordable, effective and forward-looking option for many homeowners,” said CalHFA Executive Director Tiena Johnson Hall. “California must make the most of every opportunity to build more housing for its residents, and the ADU Grant Program helps homeowners who want to invest in and share their property to help address a huge issue.”

Almost 90 percent of California municipalities have adopted ADU-friendly ordinances in recent years, according to the UC Berkeley Center for Community Innovation. Several cities and counties have gone even further, establishing programs that offer financial assistance and/or pre-approved design plans for ADUs.

“Many homeowners have the land available in their backyard, and we want to make it as easy as possible for them with this grant program,” said CalHFA’s Johnson Hall.

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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 has helped more than 201,000 low- and moderate-income homebuyers with \$32.6 billion in first mortgages and used \$6.1 billion in financing for the construction and preservation of more than 70,000 affordable rental housing units throughout the state. CalHFA is a self-supported state agency that doesn't rely on taxpayer dollars for its operational costs. 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).