To: CalHFA Approved Lenders

CalHFA ADU Grant Program Updates

To mitigate high construction costs and a volatile interest rate market, CalHFA is increasing the amount of the ADU grant, expanding homeowner eligibility, and allowing grant funds to be used for rate buy downs and other non-reoccurring closing costs in addition to pre-development costs.

Effective immediately:

The ADU maximum grant amount will increase from $25,000 to $40,000.

CalHFA will allow the ADU grant funds to be used for non-reoccurring closing costs associated with the construction financing including costs to buy down the interest rate.

To improve equitable access to income-generating and wealth building opportunities, CalHFA prioritizes and currently serves low-income homeowners and homeowners in socially disadvantaged areas. CalHFA will also expand eligibility to include low-to-moderate income homeowners, regardless of location or home equity level. Please refer to CalHFA's income limits.

Refer to CalHFA’s ADU Grant Program Term Sheet for all program guidelines.

For questions about this bulletin, contact CalHFA Single Family Lending Division by phone 916.326.8033 or by email at SFLending@calhfa.ca.gov. Please visit CalHFA’s website at: www.calhfa.ca.gov or Single Family Lending directly at: www.calhfa.ca.gov/homeownership.